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SITTING DAYS—2009

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FORTY-SECOND PARLIAMENT
FIRST SESSION—FIFTH PERIOD

Governor-General
Her Excellency Ms Quentin Bryce, Companion of the Order of Australia

House of Representatives Officeholders
Speaker—Mr Harry Alfred Jenkins MP
Deputy Speaker—Ms Anna Elizabeth Burke MP
Second Deputy Speaker—Hon. Bruce Craig Scott MP
Members of the Speaker’s Panel—Hon. Dick Godfrey Harry Adams MP, Hon. Kevin James Andrews MP, Hon. Archibald Ronald Bevis MP, Ms Sharon Leah Bird MP, Mr Steven George Minasian MP, Hon. Judith Eleanor Moylan MP, Ms Janelle Anne Saffin MP, Mr Albert John Schultz MP, Mr Patrick Damien Secker MP, Mr Peter Sid Sidebottom MP, Hon. Peter Neil Slipper MP, Mr Kelvin John Thomson MP, Hon. Danna Sue Vale MP and Dr Malcolm James Washer MP

Leader of the House—Hon. Anthony Norman Albanese MP
Deputy Leader of the House—Hon. Stephen Francis Smith MP
Manager of Opposition Business—Hon. Christopher Maurice Pyne MP
Deputy Manager of Opposition Business—Mr Luke Hartsuyker MP

Party Leaders and Whips
Australian Labor Party
Leader—Hon. Kevin Michael Rudd MP
Deputy Leader—Hon. Julia Eileen Gillard MP
Chief Government Whip—Hon. Leo Roger Spurway Price MP
Government Whips—Ms Jill Griffiths Hall MP and Mr Christopher Patrick Hayes MP

Liberal Party of Australia
Leader—Hon. Malcolm Bligh Turnbull MP
Deputy Leader—Hon. Julie Isabel Bishop MP
Chief Opposition Whip—Hon. Alex Somlyay MP
Opposition Whip—Mr Michael Andrew Johnson MP
Deputy Opposition Whip—Ms Nola Bethwyn Marino MP

The Nationals
Leader—Hon. Warren Errol Truss MP
Chief Whip—Mrs Kay Elizabeth Hull MP
Whip—Mr Paul Christopher Neville MP

Printed by authority of the House of Representatives
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**PARTY ABBREVIATIONS**

ALP—Australian Labor Party; LP—Liberal Party of Australia; Nats—The Nationals; Ind—Independent

### Heads of Parliamentary Departments

- Clerk of the Senate—H Evans
- Clerk of the House of Representatives—IC Harris AO
- Secretary, Department of Parliamentary Services—A Thompson
RUDD MINISTRY

Prime Minister Hon. Kevin Rudd, MP
Deputy Prime Minister, Minister for Education, Minister for Employment and Workplace Relations and Minister for Social Inclusion Hon. Julia Gillard, MP
Treasurer Hon. Wayne Swan MP
Minister for Immigration and Citizenship and Leader of the Government in the Senate Senator Hon. Chris Evans
Special Minister of State, Cabinet Secretary and Vice President of the Executive Council Senator Hon. John Faulkner
Minister for Finance and Deregulation Hon. Lindsay Tanner MP
Minister for Trade Hon. Simon Crean MP
Minister for Foreign Affairs Hon. Stephen Smith MP
Minister for Defence Hon. Joel Fitzgibbon MP
Minister for Health and Ageing Hon. Nicola Roxon MP
Minister for Families, Housing, Community Services and Indigenous Affairs Hon. Jenny Macklin MP
Minister for Infrastructure, Transport, Regional Development and Local Government and Leader of the House Hon. Anthony Albanese MP
Minister for Broadband, Communications and the Digital Economy and Deputy Leader of the Government in the Senate Senator Hon. Stephen Conroy
Minister for Innovation, Industry, Science and Research Senator Hon. Kim Carr
Minister for Climate Change and Water Senator Hon. Penny Wong
Minister for the Environment, Heritage and the Arts Hon. Peter Garrett AM, MP
Attorney-General Hon. Robert McClelland MP
Minister for Human Services and Manager of Government Business in the Senate Senator Hon. Joe Ludwig
Minister for Agriculture, Fisheries and Forestry Hon. Tony Burke MP
Minister for Resources and Energy and Minister for Tourism Hon. Martin Ferguson AM, MP

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<td>Hon. Dr Craig Emerson MP</td>
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<td>Economy and Minister Assisting the Finance Minister on Deregulation</td>
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<td>Minister for Superannuation and Corporate Law</td>
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<td>Parliamentary Secretary for Early Childhood Education and Childcare</td>
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<td>Parliamentary Secretary for Climate Change</td>
<td>Hon. Greg Combet AM, MP</td>
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<td>Parliamentary Secretary for Defence Support and Parliamentary</td>
<td>Hon. Dr Mike Kelly AM, MP</td>
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<td>Secretary for Water</td>
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<td>Parliamentary Secretary for Regional Development and Northern</td>
<td>Hon. Gary Gray AO, MP</td>
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<td>Parliamentary Secretary for Disabilities and Children's Services</td>
<td>Hon. Bill Shorten MP</td>
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<td>and Parliamentary Secretary for Victorian Bushfire Reconstruction</td>
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<td>Hon. Anthony Byrne MP</td>
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<td>Secretary for Trade</td>
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<td>Senator Hon. Mark Arbib</td>
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SHADOW MINISTRY

Leader of the Opposition
Shadow Minister for Foreign Affairs and Deputy Leader of the Opposition
Shadow Minister for Trade, Transport, Regional Development and Local Government and Leader of The Nationals
Shadow Minister for Broadband, Communications and the Digital Economy and Leader of the Opposition in the Senate
Shadow Minister for Innovation, Industry, Science and Research and Deputy Leader of the Opposition in the Senate
Shadow Treasurer
Shadow Minister for Education, Apprenticeships and Training and Manager of Opposition Business in the House
Shadow Minister for Infrastructure and COAG and Shadow Minister Assisting the Leader on Emissions Trading Design
Shadow Minister for Finance, Competition Policy and Deregulation
Shadow Minister for Human Services and Deputy Leader of The Nationals
Shadow Minister for Energy and Resources
Shadow Minister for Families, Housing, Community Services and Indigenous Affairs
Shadow Special Minister of State and Shadow Cabinet Secretary
Shadow Minister for Climate Change, Environment and Water
Shadow Minister for Health and Ageing
Shadow Minister for Defence
Shadow Attorney-General
Shadow Minister for Agriculture, Fisheries and Forestry
Shadow Minister for Employment and Workplace Relations
Shadow Minister for Immigration and Citizenship
Shadow Minister for Small Business, Independent Contractors, Tourism and the Arts

The Hon Malcolm Turnbull MP
The Hon Julie Bishop MP
The Hon Warren Truss MP
Senator the Hon Nick Minchin
Senator the Hon Eric Abetz
The Hon Joe Hockey MP
The Hon Christopher Pyne MP
The Hon Andrew Robb AO, MP
Senator the Hon Helen Coonan
Senator the Hon Nigel Scullion
The Hon Ian Macfarlane MP
The Hon Tony Abbott MP
Senator the Hon Michael Ronaldson
The Hon Greg Hunt MP
The Hon Peter Dutton MP
Senator the Hon David Johnston
Senator the Hon George Brandis SC
The Hon John Cobb MP
Mr Michael Keenan MP
The Hon Dr Sharanman Stone
Mr Steven Ciobo

[The above constitute the shadow cabinet]
SHADOW MINISTRY—continued

Shadow Minister for Financial Services, Superannuation and Corporate Law
The Hon Chris Pearce MP

Shadow Assistant Treasurer
The Hon Tony Smith MP

Shadow Minister for Sustainable Development and Cities
The Hon Bruce Billson MP

Shadow Minister for Competition Policy and Consumer Affairs and Deputy Manager of Opposition Business in the House
Mr Luke Hartsuyker MP

Shadow Minister for Housing and Local Government
Mr Scott Morrison

Shadow Minister for Ageing
Mrs Margaret May MP

Shadow Minister for Defence Science and Personnel and Assisting Shadow Minister for Defence
The Hon Bob Baldwin MP

Shadow Minister for Veterans’ Affairs
Mrs Louise Markus MP

Shadow Minister for Early Childhood Education, Childcare, Status of Women and Youth
Mrs Sophie Mirabella MP

Shadow Minister for Justice and Customs
The Hon Sussan Ley MP

Shadow Minister for Employment Participation, Training and Sport
Dr Andrew Southcott MP

Shadow Parliamentary Secretary for Northern Australia
Senator the Hon Ian Macdonald

Shadow Parliamentary Secretary for Roads and Transport
Mr Don Randall MP

Shadow Parliamentary Secretary for Regional Development
Mr John Forrest MP

Shadow Parliamentary Secretary for International Development Assistance and Shadow Parliamentary Secretary for Indigenous Affairs
Senator Marise Payne

Shadow Parliamentary Secretary for Energy and Resources
Mr Barry Haase MP

Shadow Parliamentary Secretary for Disabilities, Carers and the Voluntary Sector
Senator Mitch Fifield

Shadow Parliamentary Secretary for Water Resources and Conservation
Mr Mark Coulton MP

Shadow Parliamentary Secretary for Health Administration
Senator Mathias Cormann

Shadow Parliamentary Secretary for Defence
The Hon Peter Lindsay MP

Shadow Parliamentary Secretary for Education
Senator the Hon Brett Mason

Shadow Parliamentary Secretary for Justice and Public Security
Mr Jason Wood MP

Shadow Parliamentary Secretary for Agriculture, Fisheries and Forestry
Senator the Hon Richard Colbeck

Shadow Parliamentary Secretary for Immigration and Citizenship and Shadow Parliamentary Secretary Assisting the Leader in the Senate
Senator Concetta Fierravanti-Wells
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Tuesday, 2 June 2009

The SPEAKER (Mr Harry Jenkins) took the chair at 9 am and read prayers.

FAIR WORK (TRANSITIONAL PROVISIONS AND CONSEQUENTIAL AMENDMENTS) BILL 2009

Cognate bill:

FAIR WORK (STATE REFERRAL AND CONSEQUENTIAL AND OTHER AMENDMENTS) BILL 2009

Second Reading

Debate resumed from 19 March, on motion by Ms Gillard:

That this bill be now read a second time.

Mr KEENAN (Stirling) (9.01 am)—I cannot think of any other time in recent memory where the importance of having a job was more paramount to the minds of Australians and their families. It is very unfortunate to observe that we live in an era where we hear and read virtually every day about company closures, layoffs and sackings. The Rudd government inherited record low unemployment when it came to office in 2007. The previous Howard government created 2.2 million jobs and, basically, every Australian who wanted a job could find one. Since the change in government, of course, we have seen unemployment start to rocket back up. Unemployment currently stands at 5.4 per cent and is forecast, perhaps optimistically, to peak at 8½ per cent in 2011, which means one million Australians will be out of work. This is a staggering figure particularly when considered against the record low levels of unemployment left for this government.

Labor seems to take absolutely no responsibility for the Australians who are losing their jobs on a daily basis since Labor came to power. They just shrug their shoulders and say that every job destroyed is just a result of the global financial situation. Yet Labor’s policy is making what is obviously a difficult situation far worse, and this bill is a perfect example of that. Yes, we have a global economic downturn and, yes, it does create serious challenges for this country, yet Labor’s deregulation of the labour market will make it harder for the private sector to create jobs and will make sure that Australians lose their jobs in increasing numbers.

We on this side of the House recognise that jobs and jobs growth are the single most important issues facing Australia at this time. Everything we do in this parliament, every arm of policy, should be aimed at ensuring that Australians who want a job have a job. Labor will come in here and they will say that jobs are their No. 1 priority—although with this government, of course, you see many competing priorities. But then we see job-destroying legislation like this which shows how hollow their slogans on jobs are. This side of the House realises that it is enterprise that creates jobs, not government. To keep people in jobs and to create jobs, enterprise must be encouraged to grow and given the confidence to employ. When enterprise suffers, jobs and workers suffer.

We have previously stated that the Fair Work Act is bad law. It gives enterprise and business reasons not to employ people, reasons not to grow and reasons not to prosper. It discourages Australia from moving forward. It forces workplaces back in time to the 1970s and blissfully ignores the challenges and realities that face Australian workplaces in this new millennium. This is an act which penalises innovation, which discourages workers and business from directly talking to each other and which gives unions and the industrial umpire a bigger say in employment relationships than those who actually matter: workers and business.
The worst thing about this legislation is that it directly destroys jobs. There is no doubt that it will, along with most of Labor’s bungled and botched policies like saddling Australians with the highest level of peacetime debt, make the challenge of economic recovery far more difficult. Therefore this bill, in its current form, will make the disastrous effect of the Fair Work Act on jobs far worse. Perhaps the best example of its job-destroying capability is the so-called modern award system. The changes as they are proposed in this bill will directly destroy tens of thousands of Australian jobs. The coalition has been and will continue to be supportive of a simpler and more modern and relevant system of awards; indeed, we proposed simplifying that system when we were in government. But we are not supportive of the rushed, botched and bungled way in which Labor seeks to achieve what is an admirable end. Both unions and business alike have described this award modernisation process as soul destroying, rushed and nightmarish.

Of course it was Minister for Employment and Workplace Relations Julia Gillard’s own award modernisation request that promised us that her system of new modern awards would ‘not disadvantage employees or increase costs to business’. Clearly, it is a promise she has been unable to keep. The union movement tells us that employees will be disadvantaged and that workers will be worse off. Those representing industry say that business will face massively increased costs and they will simply have to pay more to keep existing staff in jobs. Nobody believes that this minister’s request can be implemented. Even the minister herself has now come to recognise how hollow and ill-conceived her promise to Australian workplaces has been.

The coalition tried to amend the Fair Work Bill when it was in the Senate to include the minister’s own words, when she made the award modernisation request, that it would not disadvantage employees or increase costs to business. Astonishingly, Labor senators voted that down. These were the minister’s own words but Labor senators voted down that amendment. With that in mind, the coalition has called for this whole process of award modernisation to be suspended until the minister can find a way to honour her commitment to Australian workplaces.

Failing that, we will move amendments to this legislation that address the worst aspects of this bungled policy. This bill must surely be embarrassing for the minister as it contains provisions that specifically acknowledge that employees will be disadvantaged by the modern award system. It even goes so far as to create a way for employees who are worse off to have their problem fixed. This is a remarkable legislative recognition by the government and this minister that her grandiose modern award promise was false, misleading and nothing more than a pipedream.

But this award modernisation process is far worse. It will result in massive increases in costs to business at a time when enterprises throughout the country are already struggling to prosper and grow. Estimates vary from industry to industry, but there is an overwhelming body of evidence that shows that business will have to pay more to keep their workers. In some sectors it will be by amounts of up to 50 per cent. This will be a disaster for Australians who hold a job or who want to get a job. I want to turn to what some of the industries are saying about this policy and what it will mean for them. The Australian Retailers Association said:

With unemployment at 5.7% and rising, retailers don’t need the pressure of increased labour costs which will force many to cut jobs.

The Australian Retailers Association is saying that this policy will force their members to cut jobs. They went on to say:
Smaller retailers will not cope with the collective pressure of increased labour and compliance costs in the modern retail award and the Fair Work Bill. They will restructure their workforce, shed staff or close shop.

So this policy will make retailers restructure their workforce, sack some of their workforce or close their doors completely. The Australian Retailers Association costings indicate an increased wage bill of up to $28,500 to an average retail business, once the financial impact of the new award system hits the bottom line of retailers. They said that this would be ‘like a Mack truck driving through the shop window’.

The Pharmacy Guild of Australia holds grave concerns about what these new modern awards will mean for pharmacists. In my home state of Western Australia, in a sample of just three pharmacies that employ 31 people the proprietors said that their combined wages bill will increase by $228,000 per annum. The proprietors of these pharmacies advised that this cost impact will force them to sack workers, resulting in the loss of four full-time jobs. This will result in three pharmacies with $228,000 in extra wage bills a year, which will make them lose four jobs. If we were to take those figures and extrapolate them across Western Australia, we would see that this would mean that in Western Australia alone pharmacies would be forced to get rid of 680 jobs. If we were to look at New South Wales, where a similar exercise was carried out, we would see that the resulting job losses are expected to be almost 1,400. Just in Western Australia and New South Wales, 2,100 jobs will be lost in the pharmacy sector alone. So 61 per cent of pharmacists expect to change their staffing levels as a result of the new pharmacy modern award. That means that 61 per cent of pharmacists will employ fewer people directly as a result of this policy. The President of the Pharmacy Guild of Australia has said that pharmacies will go the way of after-hours GP surgeries.

Clubs NSW called the government’s approach to modern awards apocalyptic. The aged-care sector has indicated that costs will rise by between 10 and 20 per cent. So the aged-care sector across Australia could be facing cost increases of 10 to 20 per cent. The National Retail Association estimated that in New South Wales the cost increases will be from almost eight per cent up to almost 15 per cent. In Queensland they will be over 14 per cent. Newsagents in Queensland have contacted me. A small business employing five full-time staff said that they will face a 14 per cent increase in labour costs. That means that, out of five staff, they will be forced to sack one staff member. An independent supermarket proprietor in Western Australia wrote to me, and I think this is worthwhile quoting directly because it shows how damaging this policy will be. The letter said:

I operate a small business, which is an independent supermarket. I employ full time, part time and casual employees who currently work across a six day working week. Many of them are working mothers and students who rely on flexible hours and casual work.

As a concerned employer I do not want to reduce staff but I fear this may be one of the inevitable consequences of the introduction of this new Award.

The Australian Hotels Association in Western Australia has indicated that a combination of penalty rates and overtime loadings will result in an eight to nine per cent increase in labour costs in Western Australia’s hotels. Western Australia does not have gaming in its hotels—it is the only state that does not—and, as a result, it has less capacity to absorb this increase. What this will result in is, of course, massive job losses. The AHA estimates that some 3,000 to 4,000 jobs will be lost just in Western Australian hotels. Who
will these people be? They will be young people, students and people who are already suffering because of this global downturn.

The Adelaide Advertiser yesterday quoted two of Australia’s largest employers—that is, Woolworths and Coles. They have warned that up to 5,000 jobs are on the line because of these changes. The retail sector claims that its wage bill will rise by well over $100 million a year. The Advertiser also quoted confidential modelling by retailers that shows that added wages burdens will be massive across the country. In New South Wales alone, extra overtime payments are forecast to hit $75 million.

Similarly, in the Australian yesterday, Brodies Mealmakers in Queensland—a franchise that has 14 outlets—said that they will have to close seven of those outlets if this modern award goes ahead. This is one franchisee who owns 14 outlets and because of Labor’s policy he is going to have to close seven of those outlets. He said:

We have crunched the numbers; it is going to mean an increase of over 20 per cent in wages and it just will not be viable in our stores, so it will mean a loss of jobs and longer hours. We were just shocked when we found out that this was going to be a reality. Half our stores will not be able to survive. That is a lot of jobs gone.

It is astonishing that this minister and this government do not understand that increasing costs in this way will cost jobs. How does it not compute that making it more expensive to employ people will mean that fewer Australians will be able to find work? How will burdening struggling mum and dad shop owners with 50 per cent higher labour costs encourage them to employ people or encourage them to grow? Obviously it does not and it will not; it will cost thousands of jobs and it will directly lead to small business closures.

Bearing this in mind, you could be forgiven for thinking that this bill might contain a provision that would allow struggling businesses to get help if they cannot afford this minister’s high-cost, one-size-fits-all modern award system. But sadly it does not. They have been completely overlooked. If you are a small business that is going to go bust because of these changes, the government just shrugs its shoulders and says that there is nothing we can do for you; this is our ideology and we are not budging. Close your doors, those jobs can be lost and we do not care.

So while employees who suffer under modern awards have a way to get some help and relief—and we welcome that—there has been no equivalent provision for enterprise and business. They just have to cope these increases from modern awards and in some cases coping that increase will mean shedding staff or completely closing their doors. To enterprising small business mums and dads who are struggling to build up their own businesses and who have saved and sacrificed and done the right thing by wanting to create jobs, this government just says, ‘You have just got to cop it sweet.’

I want to remind the House of what I said earlier about this minister promising that this process would not disadvantage employees. That promise has proved to be false. This minister promised that modern awards would not increase costs to business, and this promise has proved to be completely false. Indeed, when the coalition tried to hold her to that promise, when we tried to insert her own words into this act, it was the Labor Party who voted it down. This bill does not give any help to struggling small businesses who run the risk of laying off staff due to these changes. This is a bill that is antijobs, antigrowth and antirecovery.

I want to turn to the minister’s latest gyrations regarding this bill, where she was forced to reissue her award modernisation
request to specifically take into account the circumstances of restaurants, catering companies and cafes. They had previously been lumped in one general hospitality award and the results of that for that particular industry would have been catastrophic. The Restaurant and Catering Industry Association commissioned some research from KPMG which estimated that in that industry alone across Australia up to 8,000 jobs could be lost. Again, like in hotels, these are jobs that are held by students, by people who can work part time and, often, by some of the most vulnerable workers in our society. So the draft award as initially proposed by the commission would have decimated this industry, just like other industries will suffer with some of these modern awards. Yet the minister specifically acknowledged her mistake in relation to restaurants, catering and cafes by asking the commission to create another award specifically for this sector.

The coalition applauds what is an uncommon outbreak of common sense from this minister, but surely this is perhaps the most obvious admission of the failure of this policy. What about other industries that are going to be decimated by modern awards? Don’t they deserve equal consideration? Why wouldn’t they be in line for some of this minister’s special attention? So if you are in aged care or horticulture apparently it is fine for costs to be massively increased in those sectors and for those jobs to be lost, yet this minister will rescue certain industries. Sadly, I think it is just based on the politics of it rather than on any sort of sensible policy approach. Why don’t other industries deserve equal consideration?

The results of award modernisation are going to be catastrophic for businesses across Australia. But these are not the only concerns that we hold about this bill and these are not the only amendments that we will be moving to try to take out the worst job-destroying aspects of this bill.

Everyone, unions and industry alike, realises that under the Fair Work Act demarcation disputes and union turf wars are going to be on the rise. It is a way that Labor can arrest the increasing irrelevance of the union movement and it gives the union movement something to do between election campaigns. Once again, this bill explicitly acknowledges this truth by creating a method to resolve disputes about union representation in workplaces, which is a solution to a problem that has actually been created by the Fair Work Act. So the Fair Work Act creates the problem and then the transitional bill has to come in and try to fix it up.

But of course Labor only wants to hand power to resolve and address these disputes directly to the union movement. It does not let business have a look in; it does not let the enterprise that creates employment get a look in. It hands power directly to the union movement to address these issues. But it is of course the businesses that suffer at the hands of these demarcation disputes, as do the workers. But the provisions in this transitional bill effectively say that when resolving a union representation dispute unions can have their say but the people who actually run the workplace, the people who actually create those jobs, are not allowed to have their say.

Labor clearly believes that the only people who should have a say about what affects workplaces are the union movement, not the employers or the people who actually create jobs. This is clearly unfair. It is clearly a lopsided approach that panders to Labor’s ideology.

In stark contrast to the government, the coalition believes that all people in the workplace—workers and employers alike—are entitled to have a say about what happens
in that workplace. We tried to amend the Fair Work Bill to include more workplace democracy. Of course, that was voted down by the Labor senators in the Senate because they do not believe in workplace democracy; they believe that the unions should run workplaces and that only the unions should have a say. We will therefore move to amend this bill to ensure that fairness is a concept that extends to parties beyond the union movement.

The Fair Work (Transitional Provisions and Consequential Amendments) Bill 2009 also deals with the interaction between the national employment standards, which were established under the Fair Work Act, and existing transitional instruments. This transitional bill is deficient in the way that it deals with this. The bill as proposed deals with this interaction in a manner that is designed to punish innovation and penalise workplaces that have agreed to move away from Labor’s preferred one-size-fits-all approach. It takes a very narrow view of interaction, resulting in outcomes that will be unworkable and unwieldy, taking Australian workplaces back to the 1970s and undoing the hard efforts of workplaces to agree on arrangements that are actually suitable for them.

We propose to amend the bill to ensure that the national employment standards can universally apply, but in a manner that acknowledges detriment on a global basis. We recognise that real fairness should be considered by taking into account the entire circumstances that exist in an employment relationship, not the black-and-white, bureaucratic approach favoured by the Labor Party.

I also foreshadow amendments that deal with the issue of modern awards as they relate to state based differences and to their dealings with default superannuation funds.

All of these amendments will, on any fair view of the situation, ensure that the transition to the Fair Work Act can occur in a manner that recognises the needs of both workers and enterprise. They will ensure that the new system can operate in a manner that is balanced and sensible. Most importantly, they will ensure that the worst job-destroying aspects of Labor’s new workplace laws will be somewhat neutralised, making this bad law less bad.

I turn briefly to the second bill we are debating today, which is the Fair Work (State Referral and Consequential and Other Amendments) Bill 2009. This bill is not the subject of any opposition by the coalition in this House. It is interesting, however, to note that a few short years ago Labor state governments took the money of hardworking taxpayers in those states, and throughout the country they joined forces with the union movement to oppose the Howard government’s endeavours to create a national and consistent system of workplace relations. The Labor states were so committed to stopping this national system of workplace relations that they took this fight all the way to the High Court, which ultimately ruled against unions and Labor.

Now, a very short time later, we have a federal Labor government which is setting up a national system for the states to hand over their powers to the Commonwealth, and it seems that suddenly these Labor states do not have the same objections to a national system. This is further evidence, as if we needed further evidence, that these state Labor administrations always prioritise the interests of the Labor Party over the interests of the people that they should be representing—the people of their particular state.

This bill will build upon the work of the coalition in 1996 by allowing the state of Victoria to continue its referral of power to the Commonwealth. It will allow consistency of workplace laws in that state and create
certainty there for business and workers. It will also provide a model for other states in referring their powers to the Commonwealth, if they choose to do so.

The fair work transitional bill will do nothing more than destroy more jobs in this country. The coalition will move amendments that will restore the notion that workers having a job is actually the paramount thing that a workplace relations system can provide. This is what Labor always forgets—that the purpose of a workplace relations system is workers having a job. We will alleviate the worst aspects of this transitional bill, particularly those regarding this botched award modernisation process.

The government has a choice: it can pursue a bloody-minded approach, as this minister always seems to do, or it can take into account what the opposition, and also industry, is telling them about what is going to result from this botched awards modernisation approach. At a time when finding a job is becoming increasingly difficult in Australia, why would the government make it harder for you to find a job? That is what they are doing in this bill.

I urge the government to sensibly assess the amendments that we are proposing. They will take out some of the worst job-destroying aspects of this transitional bill. I urge the government to have a look at this before they throw tens of thousands more Australians onto the dole queue.

Mr SYMON (Deakin) (9.28 am)—I rise today to speak in support of the Fair Work (Transitional Provisions and Consequential Amendments) Bill 2009 and the Fair Work (State Referral and Consequential and Other Amendments) Bill 2009, which are before the House in this cognate debate. As a representative from Victoria, I would first like to speak about the issue of state referrals of workplace relations powers. Victoria has referred most of its workplace relations powers, firstly in 1997 under the Kennett Liberal state government and later, in 2003, under the Bracks Labor state government. In effect, there has been no state workplace relations system for most workers in Victoria since 1997, although there are some exceptions to this that are certainly worthy of further comment.

In 1997, with the first referral, there were approximately 356,000 workers—that was around 21 per cent of the state’s workforce—who were stranded under the infamous schedule 1A of the Workplace Relations Act 1996. This was a result of a partial referral of Victoria’s workplace relations powers under that state’s Commonwealth Powers (Industrial Relations) Act 1996. These affected workers were effectively cut off and shut out of any form of workplace relations system. Denied access to full federal award coverage, they received only a basic five conditions, being four weeks annual leave with no loading, one week of paid sick leave, unpaid parental leave, notice of termination and a minimum rate of pay for the first 38 hours of work in a week, with no requirement at all for payment for hours worked over and above that time.

It was the Bracks Labor government that undid this appalling situation in 2003 with the passing of the Federal Awards (Uniform System) Act 2003 that referred the necessary powers to the Commonwealth that would allow for common rule orders to be applied to federal awards in Victoria and extend coverage to previously award-free employees. Since that time, of course, the industrial relations landscape has changed. We saw the Liberal Party, the party of Work Choices, ram through the last parliament legislation that denied working people the right to fairness. That the Liberal Party did this without any meaningful debate or discussion outside their own party room or hardline supporters...
shows their ongoing contempt for the working people of Australia. It took the election of the Rudd Labor government and the implementation of our Forward with Fairness policy to turn this around. Creating a uniform national workplace relations system was a key commitment of this policy. Unlike the Liberal and National parties’ attempts, we discussed, we listened and we changed parts of the bill during the many long months of negotiations with industry, unions and other political parties, to finally see the Fair Work Act passed through parliament earlier this year. For the benefit of those opposite, this is a process called consultation.

The passing of the Fair Work Act brings with it the opportunity to deliver a balanced and modern workplace relations system for Australia. These bills provide the mechanisms for all states to refer their remaining workplace relations power to the Commonwealth through sensible and practical transition provisions. With regard to Victoria, there are provisions in the bill to accept the referral of the Victorian government’s workplace relations powers to the Commonwealth under the Fair Work Act. In particular, this referral will extend the Fair Work Act in Victoria to cover unincorporated and public sector employers and all of their employees, and will also cover outworkers. This transition will move the referral under the Workplace Relations Act 1996 as extended by the state’s Commonwealth Powers (Industrial Relations) Act 1996 to Australia’s new workplace relations system under the Fair Work Act. As I have already explained, under the Workplace Relations Act not all parts or powers were supported by Victoria’s referral at the time, making the subsequent laws very complex and inconsistent in their application and leaving many workers out in the cold without even a regular pay rise or any standard award conditions. Other states are able to refer powers under this bill in the same way as Victoria. This is a fair and balanced process that, unlike the disastrous Victorian transfer of workplace relations powers, will allow for the transfer of state systems to the uniform national system without trapping workers outside of award coverage.

The Fair Work (Transitional Provisions and Consequential Amendments) Bill 2009 repeals the current Workplace Relations Act other than schedules Nos 1 and 10, which deal with registered organisations. Importantly, this bill provides for the application of the National Employment Standards and minimum wages to all national system employees from the starting date of 1 January 2010. Working people, many who have previously been forced onto John Howard’s take-it-or-leave-it AWAs, will receive the benefit of the 10 minimum National Employment Standards if their current agreement contains inferior conditions, and will also receive minimum safety net wages.

As we saw with the introduction of Work Choices by the Liberal Party, they just do not have any consideration or care for the majority of Australians who have to work for a living. Ripping off wages and conditions is par for their course, and I am sure nothing has changed and we will hear more of that during this debate.

There are also provisions in these bills that ensure an employee’s take-home pay cannot be reduced as a result of any transition to a modern award from 1 January 2010. Fair Work Australia will be able to rectify a reduction in one or more employees’ take-home pay as has resulted from the award modernisation. There is also a capacity for Fair Work Australia to make special low-paid workplace determinations in areas that have previously been covered by an expired collective agreement based transitional instrument. The bill also gives Fair Work Australia the power to make representation orders,
including the preservation of historical demarcations derived from state or federal award coverage. Although many people now like to think that Work Choices is dead, it is not yet. This nasty piece of legislation introduced by the Howard government will go out the door on 1 July this year with the commencement of the major sections of the Fair Work Act and the passage of these transition bills. But have no doubt: the Liberal Party are still the party of Work Choices and, left up to them, Work Choices will be back bigger and badder than ever. I commend these bills to the House.

Mr BRIGGS (Mayo) (9.36 am)—It is pleasing to see the member for the ETU could last seven minutes on a bill he cares so much about. It was good to see the ETU back in the news today. We have seen Kevin Harkins, one of the former members of this place. Harry Quick campaigned so heavily against him last time because of his behaviour. He was found guilty, of course, by the Federal Magistrates Court. But that is not bad enough for the Labor Party to oppose him running for the Senate. The ETU is made up of people like Dean Mighell, the member for Deakin and Kevin Harkins, the industrial dinosaurs which make up this place. We are going to see another one enter at the next election.

The DEPUTY SPEAKER (Ms AE Burke)—The member will refer to individuals by their appropriate title.

Mr BRIGGS—My apologies, Madam Deputy Speaker. I was just not sure which seat—I think it is Deakin—he is the member for. It is pleasing to see the ETU back in the news today. We have seen Kevin Harkins, one of the former members of this place. Harry Quick campaigned so heavily against him last time because of his behaviour. He was found guilty, of course, by the Federal Magistrates Court. But that is not bad enough for the Labor Party to oppose him running for the Senate. The ETU is made up of people like Dean Mighell, the member for Deakin and Kevin Harkins, the industrial dinosaurs which make up this place. We are going to see another one enter at the next election.

The DEPUTY SPEAKER—The member for Mayo might care to refer to the bill before him.

Mr BRIGGS—The member for Deakin made some interesting remarks about allegedly representing working people, although he could only manage seven minutes on this bill. The usual attack on the former government is that they were about ripping off wages, attacking working people and so forth. It is on the record that the Howard government created over two million jobs and had real wages rise by nearly 25 per cent. Compare that to the previous governments’ record, the Keating and Hawke governments—the so-called friends of the workers—which had a wage freeze, in effect, due to a deal done with the ACTU in the late 1980s and early 1990s with the wage accords.

The Howard government policies of allowing workers and employers to deal with each other without requiring the handholding of unions or indeed of employer organisations meant that more people were employed and meant that wages rose quicker. We will constantly hear this attack from those on the other side, because that is what the hollow-men have written in their speeches to come into this place and talk about. But the truth of the matter is that the Howard government’s record for working Australians was outstanding.

What we are going to see with the introduction of this bill, which gives effect to the bill that we debated earlier in the year, is lower employment, lower wages and fewer opportunities for the future for Australians. And it will all be blamed on this global financial crisis; everything will be due to the impact of the global financial crisis. But truth be told, it is policies implemented by this government—including this policy—that will impact enormously on the opportunities for Australians to get work in the future so that they can pay the taxes to pay off the debt that these people are leaving us.

We are not going to stand here and put up with lectures from the member for Deakin
and his cronies in the ETU—Kevin Harkins and those sorts of people—because what we did in government was good for working Australians. Let us just deal with that in the first place. Now I will calm down and get back to the purpose of these bills.

These bills give effect to the changes that we saw in this place earlier in the year. That was a strongly debated bill. Workplace relations or industrial relations, whatever you like to call it, is a matter which divides this House. It always has and probably always will. That is not necessarily a bad thing. It is good to have different perspectives on how you should manage the Australian economy. This area of Australian law will always be one that is quite contentious.

The main features of these bills are to change the institutional arrangements in relation to previous agencies, which had various names, and bring them under the Orwellian Fair Work Australia title. I want to comment on one point in particular. Those of us on this side and well-qualified industrial lawyers who know a lot more about the constitutionality of these sorts of matters than I do have very big questions about the demarcation or the line between those who seek to investigate claims of industrial abuse and those who seek to implement that law, the umpire. There is a major question as to whether these two functions can be carried out by the same organisation. The issue that we will keep an eye on is how that operates. There is a question, which was raised during the election campaign in 2007 and during that year and never satisfactorily answered, about where the demarcation is and whether it is in fact constitutional in that respect. We will be watching that.

It is a big mistake to remove the divisions in that area from the Federal Court and the Federal Magistrates Court. The Federal Magistrates Court has worked well. We understand that those on the other side are implacably opposed to the Federal Magistrates Court and that there will be another bill in this place that will give us the opportunity to debate that.

The last thing that I will say in relation to the new Fair Work Australia is that it will be a monstrous agency. It will be somewhat along the lines of the National Health Service in the UK, I suspect. I understand that its new head, Justice Giudice, will be available for estimates later this year. We look forward to that.

One of the bills talks about processes commencing on 1 July 2009; transitional rules for National Employment Standards; the status of old existing agreements; variation, termination and replacement of old agreements; award modernisation, which I will come to in more detail; enterprise awards; registered organisations, such as unions and employer organisations; and representation orders. As I understand it, we are proposing an amendment to the part of the bill to do with representation orders as I understand it.

The other bill that we are debating in this cognate debate is the Fair Work (State Refer-ral and Consequential and Other Amendments) Bill 2009. I said during the Fair Work Bill debate earlier this year that one of the very important aspects of the previous government’s reforms was to create a national system of workplace relations. I stand by that. It was a very important move. It is one issue on which the Parliamentary Secretary for Climate Change and I are of a single mind. This is a very important economic reform. It makes no sense in a modern economy to have six, seven or eight different systems of workplace relations around the country when so many small businesses operate over state borders. I am a supporter of one national system. I understand the arguments
of those who say that it is always good to have a competitive environment, with one state competing against another. I do not think that holds, though, in a modern economy.

As I understand it, the coalition will move five broad amendments to the bills, which include amendments to do with union representation orders. I understand that the shadow spokesman has dealt with these in some detail, so I will not bore the House by going through them again. In our amendments, we are dealing with the operation of the National Employment Standards, take-home pay orders and, finally, default superannuation, which is something that in government we moved time and time again to change so that Australians could choose where their superannuation went.

The issue I want to talk about in some detail today, however, is award modernisation. The award modernisation process is important for the economy and for the system if it is to operate most effectively. Awards over time have become inconsistent and, particularly with the melding of the state systems and the federal system, in some cases there are 70 awards covering similar industries. That brings with it various allowances, scopes of hours and simple things like that that make it harder for small businesses to understand. Particularly the businesses that do not have human resources or industrial relations practitioners in their organisations find it difficult to understand how the awards affect them and which awards they are covered by.

This is an important process. It is a process that we in government began to undertake. The 1997 reforms had award simplification. They reduced the number of matters to 20. Largely, that process went on, but the next step is to meld the state and federal awards in a national system. That is no easy task. I have great sympathy for those undertaking that task because you have to have in the end someone who will be worse off. There is no possible way you can do this without changing the cost structures in awards or reducing someone’s entitlement along the way. It is impossible.

This is where the Deputy Prime Minister has been quite misleading. She has claimed, quite publicly, that the award modernisation process will not leave workers or businesses worse off. In her initial instruction to the commission on 18 December 2008 she said that the process must:

- be simple to understand and easy to apply, and reduce the regulatory burden on business;
- together with any legislated employment standards, provide a fair minimum safety net of enforceable terms and conditions of employment for employees;
- be economically sustainable and promote flexible modern work practices and efficient and productive performance of work …

She then talked about it not disadvantaging employees or increasing costs for employers. That is simply not possible. We found that out in the last few weeks. It has become quite obvious.

The Deputy Prime Minister, who is very intelligent and a good operator—there is no question about that—would have known that this report sits in the Department of Education, Employment and Workplace Relations. The Award review taskforce report on award rationalisation was finalised in July 2006. It was conducted by a senior deputy president of the Australian Industrial Relations Commission Matthew O’Callaghan. The task force included employer representatives and union representatives. They set about conducting a review to advise the previous government, and the department, on how the award review task force would occur, how it could possibly be done.
There are some interesting matters raised in this report. The first which should have sent an alarm bell to the Deputy Prime Minister when she issued her first instruction that said that no employee or employer would be worse off is in section 8.4.3.2, entitled ‘Approaches to neutralising overall costs and benefits’, which states:

262. Changes to current award provisions will, by definition, occur as part of the award rationalisation process. To balance as far as possible the overall distribution of costs and benefits between employers and employees, an overall approach should be adopted. Individual award provisions should not be considered in isolation, rather the overall impact of the rationalised award provisions should be taken into account. The discussion below proposes possible approaches to the neutralisation of cost and benefits.

In other words, you cannot go through award by award and compare the conditions, because they are so varied. Probably the greatest example of that is the retail industry, where you have different hours. You cannot define which provision is best or worst. It affects the overtime payments in each award and relates to the state trading hours regulations in each state. It is a confused mess. I am not saying the task is easy; however, to suggest to the Australian public that you can have an outcome where there is no cost increase for either the employer or the employee is misleading in the extreme, and she knew it because this report told her that.

The second aspect of the report which should have raised alarm bells—and I am sure she is aware of it as I am sure she has seen this review; her departmental staff have certainly seen this review—is section 3.2, entitled ‘Issues’, which states:

52. The task of rationalising awards is of itself a complex one which will require the judgement and expertise of the AIRC—and you would expect a senior deputy president of the AIRC to suggest that. It continues:

Inappropriate groupings of awards will make this task effectively impossible or result in rationalised awards which are either too vague to perform their fundamental function or that import arrangements simply not suited to a particular segment of industry.

What did we see on Saturday? On Saturday we saw the first backflip of the award modernisation process. There was an article in the Australian entitled ‘Julia Gillard in restaurant penalties backflip’. The AIRC, on her instruction, grouped awards which were inappropriate to group together. So we saw a new instruction to the commission on Saturday, even though we obviously knew this was going to be a problem and even though on the 891 morning program in Adelaide last week with Matt and Dave the Deputy Prime Minister desperately denied that there was an issue. She claimed there was a five-year transition period which was not applied to these awards.

On the following day Matt and Dave followed up with an interview with Patrick Newenham from the horticulture industry, who said:

It’s going to hurt Matt, there’s no doubt about that, but first apropos what Nick was saying—there is no appeal. So in other words when this is handed down by the Workplace Authority … faceless people in Canberra, there’s no appeal.

He goes on with how much it is going to cost the industry. Matt and Dave then move on to Ms Sally Neville, the CEO of the Restaurant and Catering Association of SA, who said:

Yep … the increase in the casual loading from 20% to 25% so that … 5% across. In South Australia, we’ve got over 50% casual labour force … There are young people in that industry who are at university. They do some work in restaurants and catering, in pubs and so forth. There will be at least a 15 per cent increase
in labour costs in South Australia. That will destroy thousands of jobs and deny young people opportunities. She went on to say:

With all due respect to the Deputy Prime Minister, I think that she’s lying. I think she knows full well that there is an increase in cost to employers, and I think that she is ignoring that fact …

I would never suggest that the Deputy Prime Minister is lying; that would be unparliamentary. However, I do suggest that the Deputy Prime Minister knew that this was an issue beforehand, because it was spelt out in this report. She knows about that report; it has been in her department since July 2006. She is a smart lady and she knew it was there.

This is badly thought through. It is rushed and we are seeing the impact on the Australian economy because of it. It is a very difficult process but an important process. It has to happen. You cannot have a situation where there are so many different awards applying across the country under a national system—we all agree on that—but the system is badly thought through.

The amendments proposed by the shadow minister are the right amendments. Amendments (1) and (2), going to the no detriment rule, seek to remove the line-by-line approach to the concept of detrimental as it relates to the interaction in the NES with the transitional instrument. The amendments will ensure that the interaction between the NES and the transitional instrument is such that it is now assessed on an overall basis when the comparison occurs, just like Mr O’Callaghan told us to do in the first place.

This situation is trying to spin something which is not possible to spin. Someone will be worse off in this process; they have to be. There are so many different structures in these awards. This issue is so difficult to understand that most normal people do not understand it, and nor should they. But the Deputy Prime Minister does. Her very intelligent staff in the department understand this issue. The AIRC understands this issue. She should have known. She misled the Australian people and it is going to impact on people’s jobs and on people’s businesses. I have had complaints from restaurants in my area, raising this issue. At a time when we are in the middle of an economic downturn, this is government policy gone mad. It is badly thought through and the best thing that the Deputy Prime Minister could do is to apply the amendments suggested by the shadow minister.

The shadow minister has also proposed an amendment going to relief from increased labour costs. These amendments seek to insert a new provision that provides the equivalent employer version of the take-home pay orders outlined in the preceding part. The provision recognises and seeks to enshrine a provision with the existing award modernisation request that promises no increase to an employer.

So in the last few months we have seen those employer organisations who represent their members—and there are still a couple out there who seek to represent their members and not just seek to represent themselves and try to get some appointment in the future—outlining this very clearly to the government. The Deputy Prime Minister should sit up and listen, because this will cost jobs. We have major concerns with the Fair Work Act itself and we have outlined those. This is a provision she can stop today. She can make some changes to it which reduces the cost to Australian business and which will reduce the impact on Australian workers. I urge her to do so and not to be stubborn. This is a mistake and she can fix it.

Mr NEUMANN (Blair) (9.55 am)—It is always interesting to listen to architects and apostles of Work Choices talk about these types of issues, somehow waxing lyrical
about being concerned for employees. I will tell you what was complex, Madam Deputy Speaker: it was the Work Choices standard, running to 149 pages of complexity with only five substandard minimum conditions. The previous speaker was one of the architects, an apostle. He is a one of the devotees of Work Choices.

In this debate I have heard a couple of speakers already from those opposite. They do not mention Work Choices because it is the love that bears no name and they will not mention it. It is like Lord Voldemort in the Harry Potter series—you cannot bear to mention the actual name. That is the reality. They will not mention it but they are over there today being concerned about workers in restaurants and workers in the aged-care industry.

I will tell you what they should have done in the aged-care industry in relation to this particular matter. We have got the Australian Nursing Federation campaigning—correctly, because they do care—about the fact that wages in the aged-care sector are, on average, $300 a week lower than in the public sector. They, along with the aged-care industry, are campaigning in relation to this matter. What did those opposite do in their 12 years of tenure on this side of the House? Almost nothing for the aged-care sector except burden it with Stalinist regulation and then reduce, effectively, the profitability of the aged-care sector so that workers in the sector do not get paid the kind of wages they deserve. It is the same thing with women who are cleaners and those working in restaurants and cafes. What did they do for them? What is the reality of Work Choices? The reality of Work Choices was the fact that their wages were much lower. So do not come into this place and bleed and bleat and claim that somehow you are supporting Australian workers after you foisted Work Choices upon them.

The legislation that is before the House is important legislation because it effectively carries on from what we did when we first introduced the legislation to get rid of Work Choices. The Workplace Relations Amendment (Transition to Forward with Fairness) Act of 2008 was passed. In a moment of reality those opposite actually supported it and it commenced on 20 March 2008. That allowed the Australian Industrial Relations Commission to commence the important national reform of award modernisation.

We have consulted widely with employers and employees alike. To give you an illustration, when it comes to our National Employment Standards—which are of course the subject of two pieces of legislation before the House today—there were 129 submissions received from a wide range of stakeholders before the standards were released in February 2008. They were developed after extensive consultation and consideration of submissions. We have listened to stakeholders in relation to this matter.

I heard the shadow minister talking about the fact that there were going to be jobs lost throughout various industries. But not a shred of evidence was produced. There was no business case and no cost-benefit analysis. Indeed, it was the same kind of rhetoric we heard when Work Choices was brought in—the vices and virtues of Work Choices, that Orwellian piece of legislation that they brought in, with the great deal of complexity that they foisted upon small business. Nothing was produced then about how important that was to industrial relations harmony, the economy and economic prosperity. It is the same thing from the shadow minister today. Again he goes on and gives an example of a couple of pharmacies—no names—and then extrapolates that and says it is going to have a massive impact not just in his own state but across the whole country. Not a shred of evidence was produced.
Then we have the alarmist rhetoric from those opposite. If they were fair dinkum about really helping workers and industries across the board, they would not have spent $121 million on Work Choices propaganda—nearly 100,000 Work Choices mousepads and 436,000 Work Choices booklets. If they were going to be really concerned about what was necessary to help Australian workers, they would not have attempted to turn the clock back to the 19th century. The shadow minister talked about the fact that we are allegedly going back to 1970s. That is simply nonsense. I wonder whether he has read both the pieces of legislation before the House today. If he had read the legislation before the House, read the explanatory memoranda and read the information that is necessary in the circumstances, he would not come into this place and say such nonsense.

The government, as the Deputy Prime Minister has said, has continued its spirit of consultation and cooperation with all relevant stakeholders. The first piece of legislation is the Fair Work (Transitional Provisions and Consequential Amendments) Bill 2009. It is the first to make the transition and consequential amendments. There are many changes to this particular legislation. The second one, which is the Fair Work (State Referral and Consequential and Other Amendments) Bill 2009, deals with the consequential amendments to all other Commonwealth legislation, including amendments to over 70 Commonwealth acts. It is anticipated that not only Victoria but also other states will take up the necessary option of getting involved in a national process, because we think it is important that it happen. We think it is important for the sake of the country, and the dingo fences across the country have to go down. There are many areas in which we have taken steps and it has been done on a bipartisan basis in the areas of corporations law, family law and defamation law—lots of areas where bipartisan approaches have been undertaken to ensure that happens.

We have heard speeches from the spokespeople from the coalition today in this House about small business. There are about 1.9 million small businesses in this country and there are about four million people employed by them. The budget is full of help for small business. They have never talked about this and they never acknowledge that—except they claim that we are about destroying small businesses. We know that small businesses are the engine room of employment in this country. We know that because the people in our electorates work in small businesses. We know that is the case in the retail sector, in cafes, in doctors’ surgeries, in newsagents, in small business operations with tradesmen. We know that is the case, and there would not be a person on this side of the House that would not support small business. Many people have told us—and many people in particular have told me—how pleased they were that the government has taken steps in the budget to help small business.

In my electorate the Ipswich Business Enterprise Centre is up and running. We know that the small business support line will assist small businesses. We know the small business and general business tax break will assist small business because we increased it from 30 per cent to 50 per cent. We know the PAYG 2009-10 cash flow relief will help small businesses. We know that the research and development tax credit will help small businesses, as will the Export Market Development Grants Scheme. The Commonwealth Commercialisation Institute will also give small businesses a chance to turn great ideas into the commercial reality, to employ people in small business.

That is the reality. The government is supporting small businesses and we hear alarm-
ism from those opposite. Work Choices is in their DNA, in their blood, in their tissue and in their muscle. It is in every aspect of their being. They cannot bear to say it, but they come into this House and they fight and scream and kick, opposing what we are doing, and we know it is because in their heart of hearts they still support Work Choices and that is why they make speeches like the member for Mayo and the member for Stirling have made in this House. That is because they still support it and, if they ever got back on this side of the House, they would bring back Work Choices because they believe in Orwellian kinds of industrial relations systems. That is what they would do—every time they get a chance to do it, they do it. They did it in the dead of night on the wharves in this country some years ago, they did it when they got a majority just across in the Senate and they would do it again if they get that chance. So I say to the people of Australia: do not believe the rhetoric; do not believe the alarmism and do not believe the cries and howls that somehow they are supporting small business and employees across the country, because that is simply not true.

The reality is they are striving to reduce wages. That is what they do. That is what Work Choices was all about—destroying unions and reducing wages. We on this side of the House want to support small business because we know profitable small businesses, created through our assistance and with the ingenuity and the enterprise of the people of Australia, will ensure decent wages for people. It will ensure that people can put a roof over their head, feed their families, clothe their families and ensure their economic prosperity. The legislation that is before the House is not about attacking small business. It is about fulfilling our election commitments. It is about doing what we told the Australian public we would do before the last election. And those opposite continue to frustrate it and continue to perpetuate and perpetuate myths and misinformation about this sort of information.

The bills that are before the House are part of the fabric and the framework of the Rudd government’s commitment to industrial relations harmony. A simple, effective and fair industrial relations system is what we went to the last election campaigning for, about and on, and we are delivering it today. I support the legislation. It is a great shame that those opposite cannot get behind the decision that was made in November 2007 and accept the political and economic reality of this country and support this legislation.

Mr PEARCE (Aston) (10.06 am)—I want to take this opportunity to speak to the Fair Work (Transitional Provisions and Consequential Amendments) Bill 2009, and the related bill, just for a few minutes, as it relates to the area of superannuation and the selection of so-called default funds as a result of the award modernisation program. That is the particular area that I want to touch on this morning because, as shadow minister for financial services, superannuation and corporate law, what has resulted from this government’s policies is of great concern to me, and it is of great concern to many Australians. As the shadow minister for employment and workplace relations has foreshadowed, the coalition intends to move an amendment that would provide for the employer to be able to nominate any complying superannuation fund as the default fund.

The so-called award modernisation program and the selection of default funds is a very interesting process. It is a process that I have been very critical of because I believe that it fundamentally undermines choice and competition in the Australian superannuation industry. It is because of that fundamental undermining that I have such a degree of
concern about it. There are many questions that arise from the way that the process operates at the moment. There are questions like: should competition between all funds be curtailed under any circumstance? In other words, should we restrict competition among funds? I would say to you that the answer to that question is no. I think we should allow fierce competition between funds because it is through competition that consumers can be offered better products and services and lower costs.

Another question that comes about is: is there a place for a very subjectively chosen process and also a secretly chosen monopoly within our superannuation system? This is a very important point. The way that the system works at the moment in relation to the selection of default funds for superannuation is that it is a very secretive process. There are no publicly available criteria showing how default funds are selected. There is no material made available about how the analysis has been conducted. There is no material made available about how a currently selected default fund would be deselected. As I travel throughout Australia and talk to stakeholders interested in superannuation, I often make this point: if I were on the board of trustees of a superannuation fund or if I were the CEO running a superannuation fund that was not a default selected fund, I would want to know what I had to do to make my fund qualify to be chosen as a default fund. But if I were a CEO or on the board of trustees that would be impossible because nobody would be able to tell me what I would need to do and what benchmarks I would need to reach in order for my fund to be selected as a default fund. It is a very secretive process.

The other key question that arises is: should the government foster apathy in any financial context? Again I would say that the answer is no. The proponents of the default selection process say it is important to have because Australians do not bother to select their superannuation funds and therefore we should have default funds so that people have a fund to go into. But I say that that apathy in a financial context, particularly amongst younger Australians, is a critical issue. Automatically selecting default funds and taking the need for any thought process away from people is actually only encouraging apathy. I would have thought the better approach would have been to require people to actively assess various superannuation funds and to provide people with information that would put them in a position to choose the superannuation fund that they would like to go into, rather than having the automatic selected default option, which, as I said, disengages people from the process even more.

I think the default arrangement is a retrospective step. There are no criteria available whatsoever. You only have to look at how the system has ended up being ad hoc. For example, when you look at one particular award area you will see that there is only one default fund selected. That is in the retail sector. There is one default fund selected for millions and millions of people. But when you look at the awards in other sectors of a similar size to the retail sector you see that there are six, seven or more default funds selected. So under one award there is one exclusive monopoly selected but under other awards there are multiple funds selected. You have to ask yourself the question: how can that come about? How can only one fund be selected for one award but multiple funds be selected for other awards? This is what raises the concern about the process undermining choice and competition. It raises concern about the credibility of the process, because it is not a transparent process. No-one can find out why, in the example I have just given, one fund in particular has been chosen for one award, yet multiple funds have been
chosen for other awards. No-one can make the criteria available.

If we are going to have this less than satisfactory approach, surely the process could be open, surely the process could be transparent and surely people could understand how these funds have been chosen. Fundamentally, I think it is a bad process. All of this is being done through the Australian Industrial Relations Commission. I find it interesting that last December the AIRC said that they did not think that they should be involved in this process. So the Industrial Relations Commission themselves have identified a degree of inappropriateness about them selecting default superannuation funds as part of the award modernisation process.

As the shadow minister for this area has foreshadowed, the coalition intend to move an amendment that would ensure that employers would be able to nominate any complying superannuation fund as the default fund, not just those that have been selected through the secretive process but those that have been selected through a process where employers would be able to nominate an alternative default fund. I think this would be a much better outcome. This would be an outcome which would foster choice and competition. It would be an outcome that would help engage people in this decision-making process. It would be an outcome that would lessen the degree of apathy that currently exists in this area. It is an outcome that would end in a better result for all Australians because choice and competition would be fostered. After all, that, in my view, is one of the key tenets of what we should all be doing to ensure that Australians are able to save for their retirement, to save for their future and at the end of the day to be able to have a high standard of living in their retirement.

Mr HAYES (Werriwa) (10.15 am)—This government is delivering a new fair and balanced workplace relations system in a very sensible and measured way. It is designed to provide certainty. The bills that have been debated today will achieve the full implementation of the government’s election promises as set out in the policy Forward With Fairness. The new system will ensure that Australia is competitive and prosperous without compromising the workplace and will also provide guaranteed minimum standards. You will find that I, like the other members on this side of the House, am delighted to be standing here to support the Fair Work (Transitional Provisions and Consequential Amendments) Bill 2009. This is the first of two bills which will make the transition and consequential provisions in relation to the new federal workplace relations system set out in Fair Work Australia Act 2009. In particular, this bill will repeal the Workplace Relations Act 1996 and rename it the Fair Work (Registered Organisation) Act 2009 to reflect the remaining content. It makes provisions to move employers, employees and organisations from the old Workplace Relations Act to the new system. It makes consequential amendments to the Commonwealth legislation necessary for them operation of the fair work bill itself.

The second Fair Work (State Referral and Consequential and Other Amendments) Bill 2009 will deal with the consequential amendments to all other Commonwealth legislation, which, although I have not read it, I understand involves amendments to about another 70 Commonwealth acts. These two bills before us today complement the Fair Work Act 2009 and are one of the more significant steps in abolishing the Howard government’s unfair, unjust and hugely unpopular Work Choices laws. We all know that people suffered grievously under the Howard government’s Work Choices laws.
The Australian population got it right when they threw out the government based on the government’s extreme industrial relations laws.

By the way, they brought in these laws without any mandate, without going before the general population and without canvassing anything. They brought these laws in as soon as they had a majority in the Senate. These laws were foisted on the Australian public unannounced, and for the opposition to come along today and to think that this bill—rendering fairness and decency in the workplace—is an inappropriate stance on our part is just hypocrisy.

After my time in opposition I doubt if there are many in this House that would be unaware of my absolute objection to those extreme industrial relations laws. As members would recall, I opposed them at every step, I spoke in every debate in this House, I voted against them and I will continue to oppose them until these Work Choices laws are effectively replaced in the workplace by something which is now considered fair and decent.

When I heard the contribution of the shadow industrial relations spokesperson, the member for Stirling, today it took me back a little. He tried to lay the foundations to an argument that this is not the right time, given the economic situation, to produce these laws and it is not the right time in terms of its consequences on employment. Let us consider the ‘right time’ that they brought Work Choices in. As the Treasurer indicated, over that period, when it was raining gold bars, they brought in legislation that allowed employers to cut workers’ pay and conditions and for the first time in this country make it legal to pay people below the minimum award rates. And that was the right time to bring in Work Choices! If people were going to be stripped of their wages and conditions when it was raining gold bars in the midst of an economic boom period—which was all squandered, by the way—employers were allowed to do that at that stage and the government brought in laws to facilitate that, what would happen in times of economic constraint? For the member for Stirling to actually come here today and say that this is not the right time to do something fair and decent for working men and women and their families just indicates that the people that we face off against are, and always will be, the party of Work Choices.

The member for Stirling also actually got it wrong. It was reported in the papers yesterday that the member for Stirling was going to seek an amendment to allow for a five-year transition period to the new, simplified award system. He should do his homework a little better because the member for Stirling failed to realise that there is already a five-year transition period available, as well as provisions in these bills that allow employers to seek exemptions from the minimum pay rates when they do not have the capacity to pay.

Those provisions are there. By the way, they have been replicated from years past, as you well know, Madam Deputy Speaker Burke. Where there was genuine incapacity to pay, there was a system that existed to allow for that; it was rendered obsolete in the immediate former industrial relations legislation. But these things will be tested. It is not sufficient just to put your hand up and say, ‘I don’t want to pay people.’ It is a matter of applying the appropriate test. These tests have now been introduced in this legislation so that, where there is genuine hardship, that genuine hardship can be addressed.

Not only did the Rudd government legislate for the five-year transition period; the Liberal opposition actually voted against it when this was introduced in March 2008.
The opposition flagged these so-called amendments despite their failure to pass even one of their amendments to the Fair Work Act; they did not deliver one amendment to the Fair Work Act when it was in the Senate earlier this year.

In my own community, Werriwa—in the south-west of Sydney, as you are aware, Madam Deputy Speaker—under the previous government’s extreme industrial relations laws, workers had never been worse off. I know it is a bit trite, but some might classify my area as a working-class area. Recent statistics show that 98 per cent of the people in my area earn less than $100,000; therefore, the economic stimulus package had a significant impact for working families out there. That just paints a bit of a picture of the demographics of that area.

You will recall, Madam Deputy Speaker, that in the lead-up to the debates on Work Choices I raised in this parliament cases like that of Reinaldo Martinez. This fellow came to my electorate office; he had been sacked by mobile phone while travelling in his car to a family picnic, with his family in the vehicle with him. He was sacked by his employer over the telephone, and when he inquired as to why the employer said, ‘I can do it under this legislation.’ He did not want to give a reason. Mr Martinez was actually sacked over the telephone in front of his wife and kids.

Reynaldo Cortez, a father of five who came to one of my street meetings, worked for a local pharmaceutical company. He was actually on a collective agreement. Anyway, the employer brought down an AWA and wanted him to sign it and indicated to him: ‘If you don’t sign it, there’ll be plenty of other people who will.’ Here is this father of five, paying off his mortgage and living at Bow Bowing. If he had signed it, our calculations—which I presented to the then Prime Minister, Mr Howard—were that he would have been up to $200 a week worse off. When I approached one of the directors of this company, a person with a very public profile, he did not know about it and undertook to go and find out for me why they did this. With some embarrassment, he told me a couple of weeks later: ‘The legal advice that the CEO got is that we can do it. It wasn’t that we needed to do it or anything else but that we could do this.’ So these cuts were being made to working men and women. This bloke living at Bow Bowing, which is just near Minto, had a family that would very much be considered working class. The mother did not work, and there were five kids. No wonder this bloke was crying when he turned up at my street meeting!

I also pay regard to the courageous efforts of people like Warren Small and David Rojas. People around this place will remember the Esselte dispute that occurred at Minto. These people were absolutely on minimum rates, with no over-award component. They were on strike for three months. The reason why they were on strike was that they demanded the ability to negotiate with their employer; that is all they wanted. They were told by this employer: ‘With these new industrial relations laws, we don’t have to do it.’ This was not a trumped up union claim. Ninety-nine per cent of these people were migrants. They were sitting out there, down the road from where I live, day in, day out, for three months, fighting for the right to be able to negotiate. As one of them said to me—they were not very good at English, which was a second language for them—‘How do we go and negotiate with our employer? We want to go as a group.’ That is all they wanted to do. They were denied that. Julia Gillard, now the Deputy Prime Minister, went down there, as did Brendan O’Connor and others, to spend time with these people. It was very much a home-
grown, localised fight. You could see and hear on any day the people who travelled in and around Campbelltown, honking horns, with school buses going by and flags flying. These people became local heroes because they stood up for what they believed in, a fair go for ordinary people.

Under John Howard’s industrial relations system, fairness and decency were stripped away at a time of so-called economic prosperity. I wonder what would have been the case if Work Choices had been in existence here and now. Consider this company that took advice that it could reduce this man’s money by $200 a week. What do you think would happen in boardrooms around the country? Would they just have a sudden burst of conscience or would they look at the raw bottom line? I tell you what, Madam Deputy Speaker: you would not have to go too far before people would start looking at what they are legally entitled to do. If they can get away with cutting wages and conditions, they will do so. I have seen firsthand in my own electorate office people coming in, real families, to whom this has happened. If it happens there, it could happen anywhere. If it happened in good times, imagine what would happen in times of economic strain such as we currently find ourselves in.

These laws bring back fairness and balance in industrial relations. It is also fair to say that it was not always just those who were at the front line or had their wages and conditions affected who were concerned. When I went out before an election, as everybody else does, to visit railway stations at six o’clock in the morning, for all these people who came back and saw me it was not about them. Ordinarily, either it was mums and dads worried about the workplace environment that their kids were about to inherit or had already been in or, more regularly, it was grandparents worried about the industrial relations environment that was being bequeathed to the next generation.

If the mob on the other side think that they can sit around and play with industrial relations and work out who they have got to appeal to for their next round of political fund-raising, they are playing a very dangerous game because it is the ordinary men and women out there who made decisions on this. These people made decisions not in terms of unions or collective agreements or individual contracts but on which organisation and which political party was going to stand up for fairness and decency. You only have to look at the scoreboard; it was not over there.

These bills will complement the Fair Work Act 2009 to bring into operation the final stages of legislation to underpin fairness and decency. It will provide adjustments to the 70 other Commonwealth laws to recognise the new body and to allow for a proper transition to the new scheme.

The government’s fair and balanced workplace relations system, which is underpinned by enterprise bargaining—that is at its heart—will help drive productivity in this country. Our law is about bargaining in good faith underpinned by a fair and decent safety net of employment conditions. It is good for employers, it is good for employees and it is certainly good for the economy of this country.

In these troubled economic times, all Australians will benefit from the certainty and the fairness that are enshrined in these new workplace relations laws. Significantly, they are designed for the good economic times as well as the bad. They will return balance and fairness to the industrial relations system. We must transform our society and our economy to meet these very challenging times, and this piece of legislation does that. It encourages enterprise bargaining and it encourages
employers and their employees to work jointly to meet the challenges of the future while, at the same time, underpinning and protecting those core industrial standards which are so essential and which we saw attacked under the former regime.

These bills provide a transition and consequential change to ensure a smooth, simple and fair transition to the new system while providing certainty in employment arrangements. The provisions and consequential changes provided for in these two bills are now under consideration. I commend both bills to the House and, once again, say how proud I am to be part of the party that has now stripped Work Choices from this nation’s psyche.

Mr ROBERT (Fadden) (10.32 am)—I rise to speak on the Fair Work (Transitional Provisions and Consequential Amendments) Bill 2009 and the Fair Work (State Referral and Consequential and Other Amendments) Bill 2009. I wish to touch briefly on history, since we are speaking about jobs and fair work, look at the issue of awards modernisation and finish with some amendments that the coalition will put forward.

The Rudd Labor government inherited a record low unemployment rate in this country of just four per cent. Under the coalition, 2.2 million jobs were created—to the point where anyone who wanted a job could find it and to the point where so many people were employed we had a skills challenge. There were not enough workers for the jobs around. It was an enviable record considering a union-dominated France during the last 10 years of economic miracles could never get their unemployment below 7½ per cent. Unemployment in Australia is now somewhere around 5.4 per cent, with the government’s own forecast increasing to 8.5 per cent in 2011. That will be one million Australians unemployed.

The Labor government will tell us that making jobs is their No. 1 priority. It is the new slogan. Jobs for Labor, I guess, are the new black. I look at my electorate in Fadden and I see how well they are doing. I look at Riviera, the largest boatbuilding company in the nation. It once had 1,000 employees but is now down to just 300. The new CEO, John Anderson, over the last 12 months has done an amazing job in getting lean manufacturing, in pulling almost $10 million per annum of costs out of the business and in doing everything he can do to support jobs and ensure the company remains viable. He is truly one of the great marine CEOs in the country. I have met with him numerous times. On his behalf, I have twice spoken to Minister Kim Carr personally to get some support but got nothing—no support at all for the largest boatbuilding company in the nation—and yet $6.2 billion goes to the automotive industry. Heaven forbid if Holden and Ford were to hiccup. But for the boatbuilding industry, and especially the largest boatbuilding industry, there is nothing.

So when Labor spruiks about its ‘new black’ of jobs, forgive me for my degree of cynicism when I look at what is happening in the electorate of Fadden and Labor’s silence on what is happening job-wise. We have said previously that the Fair Work Act is bad law. It gives enterprises and companies a raft of reasons not to grant jobs to Australians and it encourages employers not to employ Australians. It is a bit like that anathema of payroll tax. It is an act that penalises and stops innovation. It discourages workers and businesses from talking directly to each other. It almost demands that big unions and the big industrial umpires get in the way. The legislation is job destroying. Sure, it meets all the union goals of growing union membership and growing union dominance but it has little to do with jobs. There is no doubt that, with Labor’s other botched, bungled and badly
thought through policies that have already seen something like $315 billion worth of debt being saddled to the Australian economy in the forward years, this legislation will make our economic recovery more difficult.

The best example of the worsening effects of Labor policy can be seen with award modernisation. On the surface the concept was good and the former Howard government championed it. The intent of reducing the current tens of thousands of awards and their categories down to a couple of hundred is laudable. Indeed, if you look at the range of awards and the range of categories within awards, I think the number is something like over 110,000 different types of awards and categories. For national companies to operate in such an environment is patently and clearly ludicrous, so reducing awards to something more simple makes sense.

For example, if we take a transport company in the state of Queensland, they could be subject to 10 to 15 different awards, and each award may have six or seven categories. There could be 100 different awards and categories just in the state of Queensland alone, let alone in other states and territories across the country. Each award contains different provisions including varying allowances, penalty rates and different hours of work provisions. The complexities are large. Having run a national company before coming into parliament I can attest firsthand to how different laws, different rates and different awards across the states make business difficult. Modernising them makes sense and the award modernisation process certainly makes some sense; it is admirable.

As different states come together with their awards, the problem has started to play out. For example, a waiter in New South Wales under the New South Wales waiters award might get a penalty rate on a Sunday of 50 per cent extra pay. A waiter in South Australia might only get a penalty rate of 25 per cent. As the union-dominated Labor Party move to streamline and modernise the awards, they are looking at taking the top rate. So suddenly the penalty rate for waiters nationally will have a 50 per cent loading on a Sunday. Clearly the cost to business will be absolutely enormous. The Deputy Prime Minister has already made concessions to the restaurateurs and caterers areas to exclude them from the current hotel awards because of the punitive action that would then have.

When the member for Stirling spoke this morning he said, ‘Unions and enterprises alike have described the award modernisation process as soul-destroying, rushed and nightmarish.’ The minister’s own award modernisation request promised that no-one would be disadvantaged and that there would be no increased cost to business. That was her promise to the Australian people. The question is: how has the Deputy Prime Minister lived up to that promise? The answer is: award modernisation will bring a massive increase in costs to business. It will bring massive cost increases at a time when business cash flow is of paramount importance and when businesses are struggling to survive, to grow and to employ Australians. If the cost to business increases there is only one logical outcome—businesses will cease to invest in technology and equipment. They will cease to expand or they will cease to employ. There are no other possible outcomes. The evidence would seem to indicate that businesses may have to pay workers amounts of up to 50 per cent extra.

Whilst the shadow minister, the member for Stirling, has indicated we will not oppose the bill, we will be seeking to move a range of amendments to the bill to remove some of the soul- and job-destroying elements of it. We believe, as the member for Stirling indicated, that all people in a workplace—and I
mean all, not just those in a union and not just those the unions wish to be players; all people, workers and enterprise alike—are entitled to have a say on what happens in a workplace. People should not be bulldozed and railroaded by one sectional group, in this case the union movement. We therefore propose to amend the bill to ensure that fairness is a concept that extends to all parties other than just the union movement.

This bill also deals with the interaction between the National Employment Standards, the NES, established under the Fair Work Act and the existing transitional instruments. We propose to amend the bill to ensure that the NES can universally apply but in a manner that does acknowledge detriment on a global basis. We recognise and believe in real fairness and that should be taken into consideration. All parties should be considered and fairness should extend to all parties. We will seek to move amendments to remove the job-destroying aspects of the bill. If we are to go back to a time of full employment, if we are to move back from the precipice the current government is taking us to of one million unemployed, we need flexibility in the workplace, and there is very little in this bill that demonstrates the requisite flexibility the nation so desperately needs.

Mrs D’ATH (Petrie) (10.43 am)—It is my pleasure to be speaking in this cognate debate in support of the Fair Work (Transitional Provisions and Consequential Amendments) Bill 2009 and the Fair Work (State Referral and Consequential and Other Amendments) Bill 2009. These two bills in conjunction with the Fair Work Act are the final stages of the commitment made by the Rudd Labor government to the general community across Australia that we will finally see the end of Work Choices.

The transitional bill will, once and for all, repeal the Workplace Relations Act 1996 leaving only schedule 1, which deals with registered organisations, and schedule 10, which deals with transitionally registered associations, which will then become the new renamed Fair Work (Registered Organisations) Act 2009. This is truly a great day. This is the day that we see the end of Work Choices and the Workplace Relations Act 1996. This bill also provides for the application of the 10 National Employment Standards and minimum wages to all national system employees from 1 January 2010 including those covered by instruments made before the commencement of the new system. It also ensures that an employee’s take-home pay is not reduced as a result of any transition to a modern award from 1 January 2010.

The bill also sets out rules in relation to the treatment of existing industrial instruments in the new system and includes arrangements to enable bargaining under the new system to commence in an orderly way. It also deals with the transfer of assets and functions and proceedings from the Workplace Relations Act institutions to Fair Work Australia and the Fair Work Ombudsman.

The Fair Work (State Referral and Consequential and Other Amendments) Bill 2009 also marks the next step in the creation of the national workplace relations system for the private sector, which is a key commitment of this government. The bill will amend the Fair Work Act to enable states to refer matters to the Commonwealth with a view to establishing a uniform national workplace relations system for the private sector.

These two bills, in conjunction with the Fair Work Act, will deliver where Work Choices and the Howard government failed. What this legislation will do overall is deliver a clear, easy-to-read piece of legislation
that delivers significant national reform, which was a commitment of Kevin Rudd and Labor leading into the 2007 election. It provides clarity and it provides transition from the absolute mess that was left behind as a consequence of Work Choices. Where the Howard government failed and where Work Choices failed is that they made promises to deliver to the business community a simple, deregulated labour market. In fact they created a complex labyrinth of laws that went from a single piece of legislation to two significant volumes that even the most experienced lawyer, consultant or industrial relations expert in this field had trouble getting their head around. In its place we will get a simple-to-read piece of legislation that sets out basic conditions and entitlements at the same time as ensuring flexibility in the workplace to build on productivity.

Some of the key features of the new workplace relations system are a fair and comprehensive safety net of minimum employment conditions, a system that has at its heart bargaining in good faith at the enterprise level, protections from unfair dismissal for employees, protection for the low paid, a balance between work and family life, and the right to be represented in the workplace.

I have to congratulate the member for Fadden for being able to stand there with a straight face and say that the opposition are about fairness, real fairness for workers. It is unbelievable that anyone on the opposition side can actually stand there and say that they are about fairness for workers. This is the party that brought us AWAs. This is the party that stripped away basic wages and conditions and fair protections for workers. We heard from the member for Werriwa an example of a constituent coming and telling him that he had been sacked and that the reason given by his employer was that he could. Prior to Work Choices and even under the Workplace Relations Act 1996, which was introduced by the Howard government, at the very least the employer had to give reasons for dismissal. But what became the norm under Work Choices was for employers to simply say: ‘I could. I sacked you because I could.’ That is what those laws allowed. So any proposal that the opposition are going to put up amendments because they want to create real fairness is an absolute farce and they cannot be trusted.

We have seen a new tactic in this chamber in the last few days. I think it has finally dawned on the opposition that if they just keep opposing all of the bills that the government puts up it will come back to bite them at some point. We saw many examples of that last week where we had members on the other side out in their electorates doing the thumbs-up and supporting government initiatives but then opposing these proposals outright in this House. So they have moved slightly. Their new strategy is: ‘We will not oppose it. We will just put up amendments.’ But the reality is that they cannot bring themselves to let go of Work Choices. That is what it is really about.

I remember a story from during the campaign about a particular group of workers in a private hospital who were pharmacists. They had been approached by their employer to have AWAs, and those AWAs not only reduced penalties but required them to work additional hours for no extra pay. These particular workers were quite surprised. They were professionals and they were quite conservative in their voting habits and they actually said: ‘We support the Howard government. We supported these laws because we never thought they were meant to apply to us. We thought they were meant for the blue-collar workers. We thought that they were meant for manufacturers. We never thought AWAs would affect us, because we are professionals.’ It just shows you that Work Choices did not discriminate at one level; it
made sure that it disadvantaged every worker at every level. That is what this government is absolutely committed to stamping out.

We have heard about jobs. Again, what we have on the other side is a party who, when in government and now in opposition, are absolutely committed to squandering opportunity. Their idea of tackling an economic crisis—they do not say those words very often; they do not want to acknowledge that there is a global economic crisis going on because that would not be convenient for their political arguments out in the community—is: ‘Let’s tighten our belt and let’s sit and wait,’ as unemployment goes up.

The Rudd Labor government is about actually supporting jobs and nation building for the future. We are about actually investing in infrastructure—public investment in infrastructure where the private sector is pulling back. This will support jobs. Their idea about supporting jobs at the workplace was about stripping away protections and stripping away wages and conditions. What most effective businesses realise is that the way to have a productive workforce and to increase productivity is actually to value your workforce—to work together with your workforce not just to keep the business afloat but to see the business grow.

There is a stark contrast between those on the other side of this chamber and the government members, who are absolutely committed to the investment that this government is making in supporting jobs locally right now and ensuring that we are building and investing in our infrastructure for the future. Those on the other side can try to slip into as many photographs as they want in local communities but the reality is that they are not committed to infrastructure. They were not committed to investing in infrastructure in the 12 years that they were in government and they continue to hold the same view that there is no benefit for a federal government to invest in infrastructure. That view will only condemn our children and our grandchildren to higher unemployment in the future. But this government is committed to seeing that investment occur in our schools.

For anyone who is cynical about this creating local jobs, Bald Hills State School, which is one of the schools in my electorate, said to me recently, ‘Yvette, this is fantastic; it is building a hall and our library, and our contractor is employing subcontractors to build our new hall’—a hall they never imagined they would have. The subcontractors are tradespeople who are also parents of children at the school, so that they have parents building the hall for their children. There is no greater investment in education for our young people than investing in quality facilities within the schools so that those kids can learn.

You have before you legislation that has been developed not just for the prosperous economic times but also for the tough economic times. We heard the member for Werriwa talking about some arguments made on the other side that we should not proceed with any changes to the workplace laws because there is an economic crisis going on. But these laws have been developed to deal with all of the economic times that face us, both good and bad.

The Fair Work Act 2009, along with the Fair Work (Transitional Provisions and Consequential Amendments) Bill and the Fair Work (State Referral and Consequential and Other Amendments) Bill, which are before us today, create a modern industrial relations system for the long term and for the future, leaving behind a very dark past that the Howard government brought upon our businesses and our workers. This is fair and balanced legislation. It is long overdue. It is what the Australian community asked for,
insisted on and voted on in 2007. These two bills, in conjunction with the Fair Work Act, deliver on that commitment by the Rudd Labor government. I commend the bills to the House.

Mr JOHNSON (Ryan) (10.55 am)—I am pleased to speak in the parliament again as the member for Ryan on the Fair Work (Transitional Provisions and Consequential Amendments) Bill 2009, and cognate bill, because I know it is of deep interest to the constituents in the western suburbs of Brisbane who I proudly represent.

In the parliament last week, I spoke on a piece of legislation. In that presentation, I referred to the importance of small, medium and large businesses in this country, because they are the ones that create wealth. They are the ones that seek to employ Australians across this country. I mentioned that I come from a small business background to the extent that my parents owned a little corner store—a very small business. They were a young couple when they started out, and they worked their backsides off to create wealth not only for their family and for their community but for others they employed.

I know this is of fundamental importance to those who support the coalition and especially to those who are in business, at the coalface—those who are at the pointy end and who create wealth. I refer to the small and medium as well as the large businesses. They are the engine of our prosperity. I say again—very clearly and very unequivocally, for the record—because the people of Ryan would want me to say so, that businesses create wealth. Businesses create prosperity. It is not the Public Service; it is not bureaucracy; it is not governments—governments should get out of the way as far as they can.

Why is all that relevant to the Fair Work (Transitional Provisions and Consequential Amendments) Bill? It is very relevant because this bill and the amendments involved constitute a substantial hurdle to creating wealth. They play a substantial part in blocking the ability of small businesses in particular—medium sized businesses as well—to employ people, to expand, to enlarge and to increase their economic activities, which, of course, employ people. How does that work? Well, clearly, if mum and dad run a small business or if a handful of people are in partnership and running a business and they have got the unions knocking on their door trying to give union members greater access, that is going to very significantly discourage the owners of those small and medium sized businesses from taking on more people. Entrepreneurs and small business owners and operators want to get on with the business of creating wealth. They do not want to be dealing with unions. They do not want to be dealing with union thugs who are, effectively, trying to take control of these businesses.

This bill repeals the Workplace Relations Act 1996 and renames it the Fair Work (Registered Organisations) Act. It makes transitional provisions to move employers, employees and organisations from the old act to this new system. The Fair Work (State Referral and Consequential and Other Amendments) Bill 2009 gives effect to state referrals of power relating to the Fair Work Bill and the proposed creation of a national workplace relations system. The bill was supposedly designed to create new provisions that make it simpler and easier for state and federal unions to operate across multiple jurisdictions. On the surface, this sounds nice but, effectively, it is to make it easier for state and federal unions to encroach further on workplaces across this country.

We all know that union membership in this country is at about 14 per cent in the private sector. This reflects, I think, the real views of Australians that the role of the unions should not be dominant in the architec-
ture of our workplaces. I am certainly one who says that there is a role for unions in this country. They have an important place in the architecture of this country. But, equally, we have got to understand that unions should not be dominant. They should not be ruling what small business entrepreneurs have done in putting up their own capital and putting risk on the table. It is they, not union members, who should be making the ultimate decisions as to the course that their business takes.

This transitional legislation will also provide for the new bargaining system to start with a clean slate. What this means is that any negotiations that are still pending on 30 June will have to begin again. What that means, as well, is that they will be wiping away any continuing protection that would have otherwise existed. Long-running industrial campaigns will have to be restarted. We have all seen the example of Telstra. This means greater cost to the employer and, at the end of the day, greater penalties upon the consumers of Telstra services.

The bill also includes a new provision that makes it simpler and easier for federal and state unions to operate across multiple jurisdictions. This is of great concern to employers because it allows unions the potential to have a deeper and wider place in the workplaces of those businesses. Gone are the days of allowing employers and employees to establish arrangements which suit them. For me, it defies understanding that employers and employees would not be able to come to some kind of arrangement that is in the interests of those stakeholders. Why you need a third party to get involved when neither stakeholder, the employer or the employee, wants a third party involved just boggles the mind. What that is saying to employees is that they are not smart enough, they are not able enough, they are not prudent enough, knowing their skills, that they will not be able to come to an agreement that is satisfactory to them and which allows the business to operate as an ongoing concern, which allows the business to continue as an economic entity which will protect that job and related jobs.

So really the ultimate consequence of this new Fair Work Act is to give unions a chair at the bargaining table, irrespective of the wishes, perhaps, of the majority of workers. That, again, is a very significant point. I know that the business owners of Ryan, the employees of Ryan, will be fully aware that that is a point that needs to be made. To allow unions a chair at a bargaining table between employees and someone who has put up their own capital, put up their own risk, and decided to employ people, is just something that cannot be understood by the constituents of Ryan. Under this legislation it will be difficult for employers to make agreements with their employees without approval by the unions that have members employed by the employer—again, as I said, regardless of the wishes of the majority of employees. That is something that I will certainly be letting the chambers of commerce know about in the Ryan electorate—the centenary chamber of commerce in particular, a very successful chamber of commerce that promotes the economic activities of its members and tries to expand opportunities for work in the centenary suburbs of my electorate.

I want to talk about the amendments that enable states to refer matters to the Commonwealth for the purposes of establishing a national workplace relations system. This bill makes transitional arrangements for Victorian employees that are currently covered by the Workplace Relations Act 1996. The schedule also makes amendments to certain other Commonwealth legislation to provide clarity and consistency with respect to the operation of that legislation in the new federal workplace relations system established.
by the Fair Work Act. Fair Work Australia, which will replace the Australian Industrial Relations Commission, will be able to arbitrate where there is industrial action and it considers the action is causing significant economic harm to either the employer or the employees. This means that, should employees go on strike for a prolonged period of time and no agreement is reached, they can probably expect to get an arbitrated settlement. Removing employers’ right to determine what they can afford to pay their workers is also a significant consequence.

To add to the uncertainty for employers, the government has left some pretty significant grey areas in the legislation which are open for interpretation. I would suggest that this is something that the unions are going to try and exploit for their influence. We all know that just in the past few days the unions have been trying to heavy the government again. I notice that in a front-page article in today’s Australian, ‘Union fury at Gillard’s backdown’, the union heavyweights are flexing their muscles and showing who is boss. We know that the union movement contributed enormously to the campaign coffers of the Australian Labor Party at the last election. There is of course no hiding their enormous financial wealth and their enormous financial contribution to Mr Rudd winning government. So this is payback time. The unions want to call in their favours now. They are in the position where they have enormous influence. They are ensuring that their voice is heard. They are at the table. We read that the Prime Minister and the Deputy Prime Minister are flying to Brisbane to speak at a congress there. Who knows whether they will get the warmth of a union handshake or an artificial handshake. Clearly the regard that the Prime Minister and the Deputy Prime Minister have for the union movement, or the acknowledgement of their influence, is reflected in them flying to Brisbane this week to speak at a congress.

The reality is that the unions are flexing their muscles. The people of Ryan certainly know that it is completely inappropriate for them to flex their muscles in the workplaces of small and medium sized businesses in the Ryan electorate. I am of the view, and certainly the overwhelming majority of businesses in the Ryan electorate are of the view, that there is no need whatsoever for centralised solutions. There is no need whatsoever for unions to be overbearing and to take a dominant position in the workplaces of the small to medium sized businesses throughout this country.

We all know that we are going to get some pretty awful numbers tomorrow that will confirm what we all know: Australia is in recession, which is a terrible situation to be in. A lot of people are losing their jobs, and the government is not governing to minimise that. Indeed, it is governing to make the economic climate more difficult. That is most regrettable, because at a time when we need a strong, prudent and thoughtful government we have a government that is spending billions of dollars willy-nilly in areas that will not produce an economic return either for individuals, for businesses or for the country. Australia cannot afford to have this Labor government for one day longer than is necessary.

We have seen how the government has backflipped to the catering industry. I salute all of those who have been front and centre in trying to make sure that their voice is heard in the upper echelons in the Rudd government. I hope that sanity prevails, as jobs will be preserved if their views are taken into account. Now is not the time for shoving on to businesses in the hospitality industry and the fast-food and pharmacy sectors costs that
those businesses cannot sustain and which the economy cannot sustain.

We have seen a lot of commentary in the media, and I suspect that a lot of people are very disillusioned with the course of this government in terms of this piece of legislation and the impact that it will have on businesses. Now is not the time for government to lose control of the steering wheel; indeed, now is the absolute time for the government to be strong and steady. Yet we see that that is certainly not the case. I want to commend a recent editorial in the *Weekend Australian* of Saturday, 30 May. It spoke about the challenge for union leaders, which is for them to try and help create more and better paying jobs for their members.

I make reference to that editorial because it notes the reforms of the Hawke and Keating years. Certainly the reforms of the Hawke years in particular deserve the applause of the parliament, because when a political party or a Prime Minister does the right thing, irrespective of their political stripes, it is incumbent upon all of us to be true to ourselves and true to the interests of Australia and to say, ‘Yes, Prime Minister X did the right thing,’ or, ‘Political party X did the right thing.’ That does not diminish one; that does not diminish one’s party; that does not diminish one’s philosophical direction or one’s central values. Indeed, I think that it elevates that political party or individual to another level of respect in the community. I am certainly one who is going to put on the record that the very tough decisions that Prime Minister Hawke made in his time and that Prime Minister Keating made with respect to superannuation were things that were very necessary. I applaud the union movement for their courage at that time in playing in the national interest. But I am not sure if that is the case now.

I know that these words are not much to the leaders of the ACTU. That may be the case, but I will utter them nevertheless. I encourage the union leaders of today to look back at the union leaders of the Hawke era in particular and have the courage to say: ‘We’re going to ensure that we’re about working together with the government and business in the interests of the country. We’re not just about expanding the membership of the union base, something that would be detrimental to this country.’ I draw the attention of the House and those in the Ryan electorate to that very insightful article of Saturday, 30 May about where the unions are.

We all know that those opposite are always talking about how John Howard was someone who looked backwards. Ironically, it is none other than today’s Labor government and today’s union leaders who are taking this country back. The people who pay the price will be the future generations of Australians.

Mr RIPOLL (Oxley) (11.12 am)—I thank the House for the opportunity to speak on the Fair Work (Transitional Provisions and Consequential Amendments) Bill 2009, which was introduced into the House on 19 March, and also the Fair Work (State Refer- nal and Consequential and Other Amend- ments) Bill 2009, which was introduced on 27 May. I note that it would be appreciated if coalition members respected the agreements made between both sides of the chamber when we try to limit speaking times so that people can get their full opportunity to speak in this House and that as best as possible we can deal with all the work that needs to be done.

The bills that are being debated today will fully implement the government’s election promises. They will fulfil our commitment to the Australian people on one of the key platforms and planks that we were elected on in
relation to workers and fair work and a whole range of reforms that needed to take place after the disastrous Work Choices legislation, the workplace relations legislation that was introduced by the former government. It is very pleasing to again have the opportunity to speak on bills in relation to workers’ rights.

I took note of a number of the comments made by the previous speaker, the member for Ryan, and other speakers as well. This is not an attack on them, but the debate still centres around old debates and old arguments. It still centres on things that are not at the core of what working Australians—ordinary people; families—are concerned about. Those opposite are still caught up in some pre-war concepts of us versus them and of old class battles, with it being the unions versus everybody else. Somehow, unions are a third entity that exists in cyberspace, perhaps. Unions are the workers; unions are the voices of the workers, just as in every other part of society people have a representative to speak on their behalf. We as members of parliament represent our constituents. All 90,000 cannot be in here, so I am elected here to speak on their behalf, as is the member for Ryan elected to speak on behalf of his constituents. But I have to say that I am not so arrogant as to believe, as the member for Ryan or some others on the other side do, that all those whom I speak on behalf of share my view.

I actually believe that our views can differ and that you can still represent your community properly, adequately and respectfully, but do not come in here pretending and arrogantly saying that all of your constituents are of that view and that all businesses have confirmed that they somehow oppose this, have a different view to us or somehow agree with the previous speaker’s views. I just find that a ridiculous proposition. I also find it at the shallow end of the pool in terms of the contribution to debates that we get on these matters by members of the Liberal and National parties, whose only clear agenda in these debates is about how you keep tipping the balance of power in one direction. It is never about trying to rectify power imbalances in society, communities and workplaces; it is never about trying to have a fair workplace where you can try to find some sort of equilibrium, which is very hard to do. It should be about where you could find some sort of balance for the rights of working people—those who actually create the wealth. This is another myth that is purported by the other side: it is the people who invest in and create a business who have all the rights—because they have risk on the table, they have all the rights; because it is their capital, they have all the rights.

I am a big supporter of business—small, medium and large. I think they do a fantastic job in this economy. I am a friend of business, but I am also a friend of workers, the people who make those businesses a success, the people who toil day in and day out and do it with great courage. They toil with their labour and risk their labour and time; they risk the possibility that if something goes wrong in the business they will lose their employment and perhaps their home and investments. It is a shared risk. It is a shared investment by the people who put capital on the table and the people who toil with their labour. That is the balance, and that is what the other side should be talking about: how do we properly address in this place the requirements to balance the needs of working people and families—people who need to trade their labour for a fair day’s work and a fair day’s pay? How do we get their rights balanced with the obvious rights that employers have in terms of trying to manage their business and get on with growing their business? What really disturbs and frustrates me is the attitude of the other side, that it
only goes in one direction and that the only people who should have a voice—the voice of collectivism, the voice of a union—are employer association groups, unions or whatever you want to call them. In their mind, the only collective voice that should be heard is that of some Australian business group or other organisation.

We talk about consultation in terms of delivering these bills. The greatest of efforts have been put forward in consulting with the wider community and all stakeholders—unions and the people they represent, workers and their families, employers, employees, union groups, associations, business groups. We understand that they all have a role and a stake, either through their representative voice, individually or collectively—regardless of how they arrange their own affairs. When you can at least get to that place then you can understand who should be at the table and what you should be delivering for the national interest, business and workers—the people who actually create that wealth.

I am afraid that, as always in these debates, we hear the tired old arguments over union influence. Let me just say to the other side, the former government who were tossed out on their ear because of their assault on ordinary working Australians: I suggest that big business have a massive influence on your decisions. I suggest that big business, in fact, have the coalition’s ear and that the coalition are at the beck and call—captive—of big business. I do not disagree that we should all listen to big business, heed their views and include them in consultation, but I equally believe that workers should be at the same table and so should their representatives through the union movement.

I also note that, in these difficult economic times, some on the other side will say: ‘Now is not the time. It’s just too difficult.’ That is what they will tell you. If you actually listen to the other side, it is never the time; there is never a good time. When the economy is running away and markets are in a bull run they say: ‘Now is not the time. We’re too busy making money and growing our business, and we need to actually relax the rules and deregulate further in order to continue to grow.’ When times are tough they say: ‘Now is not the time because we must save the business. We must do this and that. We must walk down that path.’ But they never stop for a minute to think about the shared pain and, whether it is in good times or bad times, who should bear the cost. In my view it should be an equal balance of bearing the cost, between the taxpayer, business and workers. Everybody should have an equal part of not only the risk but sharing the burden. But if you listen to the Liberal and National parties, their dyed-in-the wool, heart-of-hearts ideology is that there should only ever be one group of people who actually pays the cost, and that is workers—to be discarded, gotten rid of and sacked, or rearranged in restructuring businesses. There is one underlying factor and theory: the worker should always bear the cost. I find that abhorrent. In the contributions that we have heard from members on the other side, that is exactly what we are being told.

We are introducing a new system, a fairer system with fairer laws that are about balancing the needs of employees, their representatives, unions and employers. We want to ensure that all employees and employers have a fair stake in their own lives and workplaces. It is about fairness in terms of rights and responsibilities. It is the Australian way. This is the way that we do things here in Australia to provide the best outcomes. We want fair dismissal systems for small business. We want to make sure that workers have confidence in the systems we put in place and that there is certainty about their employment
arrangements. We want clear minimum wages. We want to make sure that we assist low-paid and vulnerable workers. Why should they be at the bottom of the heap and not have any protection? Why should they be at the beck and call, the whim, of unscrupulous employers who would just use and abuse them and then discard them when they are no longer needed or when they find can someone who will do the same work cheaper. That is not the Australian way. That is not a fair go. There need to be standards. That is the work that we ought to be doing in here, alongside the representatives of workers and unions. We need to make sure that employees and employers all have freedom of association in the workplace and that employees can bargain collectively and belong to a union without the fear that just by belonging to one they will be treated differently at work.

We know how that works in some workplaces. You are discouraged from belonging to a union. It may be against the law but people are discouraged from joining a union because of the pressure on them in their workplaces. This is not how it should be in Australia and these laws will ensure that those rights exist and enshrine them in legislation. This new government workplace relations system will provide a strong safety net, and in fact in these uncertain times it will provide certainty and will make sure that everyone understands their place and how they can be protected to best ride out the economic times that we face.

In conclusion, in fulfilling our commitments to the electorate at the last election we are getting rid of some of the most extreme workplace laws that this country has ever seen, laws that were not asked for by anybody—or perhaps by just a few extreme elements of big business. They were certainly not asked for by ordinary Australians and were clearly rejected by them at the last election. I commend the bills to the House.

Mr SLIPPER (Fisher) (11.23 am)—Thank you, Mr Deputy Speaker Andrews. As a former Minister for Employment and Workplace Relations, you must have found it quite difficult to sit in your neutral position as Mr Deputy Speaker during this debate.

I have a real problem with the way the Australian Labor Party chooses to approach workplace relations. It talks about balance, but what it is really doing is seeking to bring about situations which are entirely unbalanced and inequitable and which will indeed cost jobs. It is unquestioned that the government did obtain a mandate at the last election to amend the workplace relations regime that was introduced by the former government. That does not mean that we have to like the changes that the government has sought to make, but it does mean that we have to respect the mandate given to it by the Australian people. The result was actually very close and, if you look at how people in many electorates throughout the country voted when they returned Liberal-National members, it is pretty clear that they were not voting against the workplace relations regime of the former Howard government. Having said that, democracy really is a question of numbers and when all of the results were totted up after the election it was clear that there was about to be a change of government, and some of these fairly extreme industrial relations changes which we have seen introduced to the parliament by the Australian Labor Party are a legacy of the change of government.

The government has recited like a mantra that it does have a mandate, and we do accept that it has a mandate. But the government through changes before the House has sought to go beyond the mandate that was given to it by the Australian people. That is
why the Liberal-National opposition is moving amendments to the Fair Work (Transitional Provisions and Consequential Amendments) Bill 2009 and the Fair Work (State Referral and Consequential and Other Amendments) Bill 2009. As the shadow minister has pointed out, we are seeking to target those areas of the legislation which extend trade union power, provide a disincentive for employment and, of course, go beyond the policy taken to the Australian people by the government in 2007.

Let me just look at some of the things that were said by now government ministers, and also the Prime Minister, prior to the election in relation to right of entry and access to non-union-member records. Prior to the election the Labor Party said that the existing laws in relation to the right of a union to enter a workplace would be maintained. This promise has been broken, and the laws supported by the government give access to personal records to unions including those personal records relating to a non-union-member. The Labor Party said:

Federal Labor will maintain the existing right of entry provisions … Right of entry rules remain.

That was a joint media release by the Prime Minister and the Deputy Prime Minister on 28 August 2007, just a couple of months before the election. The Deputy Prime Minister at a press conference on the same day said:

We will make sure that current right of entry provisions stay. We understand that entering on the premises of an employer needs to happen in an orderly way. We will keep the right of entry provisions.

In a speech to Master Builders Australia on 28 May 2008, after they were elected to government, she said:

We promised to retain the current right of entry framework and this promise too will be kept.

On 7 November 2007 at a debate at the National Press Club, the Deputy Prime Minister said:

If you would like a pledge to resign, take a contract in blood, take a polygraph, give you my mother as hostage, whatever you like, we will be delivering our policy as we have outlined it.

And later she said:

… current right of entry laws will be maintained.

The reality is that the legislation currently before the House does expand union rights by allowing them—unbelievably in breach of the rights of privacy of non-union-members—to view the records relating to those non-union-members. I would have thought that fair-minded people, regardless of where they sit politically, would feel that in 2009 a person who was not a member of a union ought not in any circumstances, whether investigating a suspected breach of the law related to a union member or not, have access to those records. The records include: records of non-union-members, salary details, pay rates, super fund contributions, warnings, medical certificates, bonuses paid, disciplinary interviews, licence and criminal background checks, garnishee orders, family support payments and so on. At the present time unions are restricted to looking at wage records for union members only and most reasonable people would consider that that is an appropriate course for the law to take. But the proposal before the chamber expands that situation to a position where the rights of non-union-members are trampled over and treated as being virtually non-existent.

I do not know why in 2009 the government would come into the chamber to argue that unions should be given such a privileged and special power. What about the checks and balances? This is outrageous and the Liberal-National opposition is moving to ensure that unions can only see records relat-
ing to non-union-members when an employee gives consent or where Fair Work Australia authorises them to be viewed. Let us face it: workers are voting with their feet. They are moving away from union membership because trade unions are no longer providing the services they once did, and we believe that the privacy rights of the 86 per cent of the private sector workforce who are not members of a union must be protected.

With respect to the right of entry and expanded access for discussions, Labor promised that laws surrounding the right for a union to enter a workplace would be maintained. This promise has also not been observed, as the number of workplaces where a union can gain access for discussions is vastly expanded by this bill. We will be moving an amendment which will permit employees to decide if they want unions in the workplace and, if so, which union that ought to be before any entry can occur. It is unacceptable that you have union thugs marching into workplaces when the employees simply do not want them there. This would apply in a workplace where there is currently no union presence or where a union other than the existing union wants to enter. What is wrong with asking employees, the people who this is supposed to be all about, to decide who can represent them?

Another point relates to compulsory arbitration. The government said prior to the election that compulsory arbitration would not be a feature of its new enterprise bargaining system. This is another false promise. What does it say? In a speech to the National Press Club on 30 May 2007, the Deputy Prime Minister said:

Under Labor’s policy there is no automatic arbitration of collective agreements. Our policy clearly states that no one will be forced to sign up to an agreement where they do not agree to the terms.

In April 2007, the government went on to say in Forward with Fairness:

Good faith bargaining does not require bargaining participants to make concessions or sign up to an agreement where they do not agree to the terms.

The situation is that the bill provides for Fair Work Australia to have the capacity to arbitrate, compulsorily, differences between negotiating parties when they cannot reach agreements themselves, and these outcomes are known as workplace determinations. There is, I am advised, a conceptual difficulty between arbitration and agreement making, and if parties cannot agree on the terms which suit them they ought to be able to walk away and rely on the safety net of awards and the National Employment Standards. The Liberal-National opposition proposes to retain the current provisions relating to enterprise bargaining but ensure that compulsory arbitration in the form of workplace determinations is only available when bargaining representatives genuinely consent to such a determination being made.

I will mention a couple of other points briefly. I cannot speak at length because of the arrangements the whips apparently have to get this legislation dealt with by the parliament expeditiously, but with respect to greenfield agreements the government did not promise us the onerous, restrictive and complex greenfield legislation provisions that are in the proposed legislation, and the new provisions will make it almost impossible for new work or jobs to commence without the approval of a union. Again, Labor is the party of the unions. It is controlled by the unions and it seems to be serving the interests of the unions and not the interests of workers. We believe that our proposed amendment removes the requirement for unions to be notified. That is fair, equitable and just.
The legislation also proposes a new approach to transmission of business that replaces the accepted approach of asset transfer established and confirmed in several High Court decisions with a new concept of transfer of work, and additionally there is a necessity that, if employees are transferred with a business, the instrument underpinning their engagement is also transferred on an ongoing basis. We propose that the law ought not to be changed. In other words, we want to keep the law as it is. Unfair dismissal laws effectively cost jobs. Unfair dismissal laws are a discouragement to employers to hire new employees, and we would like to make sure that there is a situation where jobs are not lost because of Labor’s ideological devotion to the trade union movement. There is much more that I would have liked to have discussed on this legislation, but I want to indicate to the House that I support the amendments which are being moved by the opposition in this debate.

Mr PERRETT (Moreton) (11.35 am)—I rise as a member of the Labor Party, the political arm of the trade union movement, in support of the Fair Work (Transitional Provisions and Consequential Amendments) Bill 2009 and the Fair Work (State Referral and Consequential and Other Amendments) Bill 2009. These bills are another step in the Rudd government’s campaign to restore fairness to Australian workplaces. One of the worst legacies of the Howard government is the absolute shemozzle they made of workplace relations, particularly the individual contracts which were known as Australian workplace agreements.

After forgetting to mention the idea during the 2004 poll, the coalition government—drunk on the power of their Senate majority—forced an unfair, unwanted and non-mandated workplace relations system on the Australian people. Unlike the Howard government, the Rudd Labor government are holding true to our commitment to create a fairer, more balanced system. There is nothing duplicitous about our pre-poll commitment and our post-election delivery. Kevin Rudd’s word is his bond. The legislation before the House delivers our election commitment in full. Twenty March 2009 was a great day for Australian workers and fair-minded employers because it was the day the Senate buried Work Choices.

This legislation drives another nail in the coffin of Work Choices. Let us hope that those opposite do not attempt to resuscitate the lumbering beast. We certainly do not want the member for Higgins to come in. The member for Mayo is also someone who is particularly interested in reattaching electrodes to the bolts in the neck. The member for Kalgoorlie is another one of those people. We could call him Igor and hear him say: ‘The storm is at its peak. Let’s reattach electrodes.’ Let us hopefully never have a reawakened Work Choices beast.

The legislation before the House repeals most of the Workplace Relations Act 1996 and renames it the Fair Work (Registered Organisations) Act 2009. It puts in place transitional arrangements to move from the old Workplace Relations Act to the new system established under the Fair Work Act 2009. This legislation outlines the bargaining and agreement-making rules which will be in place during the transition phase. For example, it allows employees on individual statutory agreements to enter into a conditional termination to enable them to participate in collective bargaining; it allows Fair Work Australia to recognise the prior bargaining history of the bargaining participants when making judgments under the Fair Work Act; and it ensures the application of the no disadvantage test to enterprise agreements made before modern awards and the start of the National Employment Standards on 1 January 2010. It also ensures that the National
Employment Standards and award wages will apply to all national system employees from 1 January 2010 and sets up transitional arrangements to establish the Fair Work Ombudsman and Fair Work Australia. The Workplace Ombudsman and the Australian Fair Pay Commission will be abolished as at 1 July this year. The legislation also creates the specialist Fair Work Division of the Federal Court and the Federal Magistrates Court.

These amendments are further evidence that the Rudd government is serious about ensuring Australians enjoy fair and balanced rights in the workplace. We are serious about enforcing these rights either through the checks and balances we have built into the system or, if necessary, through the courts. The legislation also puts in place transitional rules regarding right of entry and enables state registered unions to participate in the federal system.

I know a lot of people who fought for almost three years to rid Australian workplaces of Work Choices. With the indulgence of the House I will mention some of those who were so passionate: Terry Wood and Kate Perry from my campaign team; Andrew Ramsay and his wife, Trish, from the CFMEU, who put so much time and effort into the Your Rights at Work campaign; Michael Ravbar from the same union; Darcy Orr, Russell Carr and Kelly Bush from the AMIEU; Ros McLennan, my campaign director, Michael Hayworth, Michael Moy, Pat Atkinson and Brad Hayes from the Queensland Independent Education Union, which I used to work for; Jonathan Mamerial, Don Brown and Braedan Hogan from the LHMU; Amanda Freude, who did so much, Genevieve Siddle and Barbara, just to mention a couple from the Queensland Nurses Union; Peter Allen, Owen Doogan and the many delegates from the RTBU who came out on the weekend to do work for the campaign; Brendan Crotty, Robyn and Ken Boyne, to name but a few from the Queensland Teachers Union; Shannon Pentrimp and Andrew Dettmer from the AMWU; so many people from the plumbers union that I cannot begin to mention them all; people from CFMEU mining; Michael Clifford from the FSU; a swag of people from the ETU; David Forde, who worked tirelessly; Simon Finn; Peter Shaw; Cameron Crowther; Alan Clark-Jones; Alison Skau; Andrew Dallas; Brett Machin; Bruce Gillman; Chris Begley; Claire Stimson; Dallas Elvery; Daniel Doran; Denise Redfern; Gary O’Halloran; Gaye Vale; Geoff Taylor; Ian Bosley; Ian Wallis; Jo Clark-Jones; Joan McGrath; John Park; John Savill; John Wheeler; Julie-Ann Cork; Justine Clark; Karen Struthers; Larissa Knight; Len Ardill, the legend; Lyn Griffiths; Marcus Smith; Noel Morris; Norm Bullen; Rod Beisel; Rose Matters; Steve Griffiths; David Newman; Doreen Ferney; Nick and Shannon Sahlqvist; Greg McPhee; Jean Rousseaux; Jill Ashmore; Yasmine Childs; Peter Allen; and Faisal Hatia.

Those are just some of the people in my electorate who care about fairness in the workplace. Obviously, there are many more. Many are passionate about some workplace rights, such as the ABCC, where we still have some discussions to go. More importantly, as I am sure those opposite know, many employers also had concerns about unfair workplaces. The problem was that it was a race to the bottom. It did not matter how fair you were as an employer. If the employer next door in the same industry was prepared to be a bad boss then they lowered wages and it was a race to the bottom; otherwise you were not able to compete. It did not matter how fair you were; it was how unfair the business next door was.

It is good to see that the Rudd Labor government is committed to bringing fairness back to the workplace. Unfortunately, one state has some concern about those referral
powers. Perhaps some states are prepared to dance with the devil again. I am sure the House will remember that Western Australia led the rush towards unfairness in the last century—not at the start of the century at the time of the horse and buggy but at the end of the century. The member for Charlton might remember very well when Western Australia brought in the Western Australian workplace agreements—WAWAs, as they were called. On election night on 24 November 2007 ‘wah, wah’ was heard in more than 20 electorates when people spoke about employment practices in Australia—‘We don’t want unfair workplaces.’ That was a different time, from when John Howard had control of the Senate through to election night on 24 November 2007.

In these tough times around the globe it is a time for harmony and fairness, not for division and fear. Some of my friends who are industrial relations lawyers agree. One mate of mine—and I do not think he votes Labor—is a lawyer. In giving advice to employers he had to do his job properly, so he gave advice to employers that meant they basically almost had to be bad bosses to compete with the businesses that were taking advantage of John Howard’s workplace legislation. It would be unAustralian if we were to go down that road again. I have been listening to some of the speeches of those opposite. I can see that the seeds are there and they are happy to try to sow those seeds of division again. This would be a dangerous thing to do for Australia. It is not what we need. It is not what fair-minded employers need. It is certainly not what employees need.

I remember vividly on election day in 2007 a group of young plumbers. People talk about jackbooted union bosses, but they were not those kinds of people at all. In 2004 you would barely have been able to motivate these young fellows to get off their backsides to vote, but in 2007 they were in T-shirts handing out how-to-vote cards at the front of the booth. Why? Because they understood that what John Howard had done was unfair.

I hope those opposite do not pick another election based on workplace relations. This is not what Australia needs. If they want to do so, then bring it on. If we need to have an election, it should be on the emissions trading scheme or nation building—something that is important for the future of this country. Surely those opposite do stand for something and they will pick the right thing to go to an election on. The Irish poet Yeats said that too long a sacrifice can make a stone of the heart. We all recognise that we do not need to battle over workplace relations in Australia all over again. It is time for fairness. I hope those opposite understand this. I commend the bills to the House.

Mr CIOBO (Moncrieff) (11.45 am)—I am pleased to have this opportunity to make a contribution to the Fair Work (Transitional Provisions and Consequential Amendments) Bill 2009 and the Fair Work (State Referral and Consequential and Other Amendments) Bill 2009 as part of the cognate debate. It has been instructive to gain some insight into the Australian Labor Party’s approach to industrial relations in modern Australia. It has been instructive because you can contrast the position of modern workplaces with the fossil-like approach of the Australian Labor Party, as wedded as they all are to the trade union movement, and the huge debt that this political wing of the trade union movement owe to their political masters, Australia’s trade unions.

In this debate we have had speaker after speaker from the Australian Labor Party come into the chamber and talk about the way in which this bill gives effect to Labor’s promise to make workplaces ‘more fair’, to use their words. The member for Moreton
just spoke of how this bill will ensure greater equity and greater fairness in the workplace. He ran through a long list of trade union hacks who he needed to thank, who had been out supporting his campaign, running the scare campaign that the trade union ran at the last federal election about the impact of Work Choices laws and the impact of the Howard government’s changes on workplace relations.

But what the Australian Labor Party never talk about is what the impact of their laws will be on Australian workplaces. They never speak about the impact of Labor’s re-regulation of Australia’s industrial landscape to the detriment of employers directly and, indirectly, of employees. That is the great con. That is where the Australian Labor Party really hold themselves out as being among the best of the snake oil salesmen that we have seen. There has not been a speaker in this debate thus far, to the best of my knowledge, from the Australian Labor Party who has spoken about the impact of this bill on employers.

This is not about just blindly defending employers. It is about recognising the complete and total relationship that exists between employers and employees. The fundamental reality is that, if you drive up business costs, if you re-regulate industrial relations and the marketplace—that is, someone who offers themselves for employment and an employer who takes the risk to employ that person—and especially if you drive up costs for Australia’s 2.4 million small businesses, which employ about 3.8 million Australians, then the logical, most commonsense, most blatant and most obvious outcome will be that small business employers, and employers more generally, will not hire new people and will actually take existing employees off their books. That is what the Labor Party does not want to acknowledge.

The cognate debate before the House today includes amendments to ‘modernise’ Australia’s awards system. This is a beast of the Australian Labor Party, which they cloak in a shroud by saying that this is about modernising workplaces. How modern is it to force up business costs, the costs of labour, by 15 per cent, 20 per cent, 30 per cent, 40 per cent, 50 per cent or, in some instances under the draft modern awards that we have seen so far, over 250 per cent? How modern is that? How fair is it on those Australians who will be cast from the employment lines onto unemployment queues and forced to go on the dole, because this government, as part of its ideological quest for so-called modern awards, will actually drive up unemployment by driving small businesses out of business?

The reality is that this proposal by the Australian Labor Party could not come at a worse time. This massive hike in labour costs could not come at a worse time. The Australian Labor Party is forcing massive increases in employment costs onto 2.4 million Australian small businesses, and the consequence of that will be higher unemployment. I plead with the Australian Labor Party to recognise the price that it places on a so-called ‘more equitable’ workplace. Is it truly equitable to drive Australians onto the unemployment lines? Is that true equity? Is that true fairness? Is forcing up business costs by 30 per cent, 40 per cent, 50 per cent, 100 per cent or 200 per cent actually the way to achieve equity and fairness in the Australian workplace? The problem that we have on this side of the chamber is that the Labor Party has a grand cover-all excuse. As the unemployment rate goes up—as I predicted it would as a consequence of changes to unfair dismissal laws—as a consequence of this so-called modern award process, we will see at this stage, as forecast in the budget papers, one million Australians thrown onto the scrap heap of unemployment.
Labor will sit there and say, ‘Well, this is all a consequence of the global recession.’

You see, the Labor Party want Australians to believe that they are victims of unfortunate international economic tumult. The Australian Labor Party want Australians to believe that the reason they are unemployed is something that happened on Wall Street in New York, a slowdown in the Chinese economy or a slowdown in the European Union. That is the only reason that there will be a million people unemployed.

As shadow minister for small business, as I move around this country and speak to hundreds, if not thousands, of small businesses and their advocacy groups, there is one message that I get loud and clear and consistently from those small business men and women. They are scared of this legislation. They are scared of the impact of Labor’s changes and the fact that they will drive up employment costs by 10, 20 or 30 per cent and up to, as I said, over 250 per cent in certain instances. They are petrified because these employers have a great relationship with the people they employ. They want to look after them. They recognise that, by providing a job to these people, they are actually helping those people that are in their employ to pay off the mortgage, to put food on the table and to look after their families. They take very seriously the nature of that relationship with their employees because, fundamentally, 99 per cent of small business employers have a great, symbiotic relationship with their staff.

That is why it is so galling when Labor members opposite come into this chamber and say this is all about countering the effects of bad employers. The Minister for Small Business, Independent Contractors and the Service Economy himself made a statement on the public record that almost beggars belief. He said the reason that we needed unfair dismissal protections was that an employer might come into the workplace in a bad mood and fire a good employee. What a completely absurd comment—to tar 2.4 million small businesses with that kind of absurd remark really is telling of the approach of the Australian Labor Party.

The reality is: yes, there might be one or two bad eggs in terms of employers and, yes, it will come as no surprise to know there might be one or two bad eggs as employees. But the vast bulk of people have a good, positive relationship in their workplace. They operate as a team. They recognise that each is dependent on the other. It is this fundamental recognition that scares employers and employees alike in Australia’s small business sector. It scares them because, as a direct consequence of the legislation before the House right now, the Australian Labor Party is going to force up business costs and drive employed Australians onto the unemployment lines.

Labor can blame it all on the global financial crisis. Labor can blame it all on the worldwide economic recession. But Australians will realise—I believe sooner rather than later—that the actual reason they have lost their job is that Labor made it uneconomic for them to be employed. That is the real reason modern awards will drive up unemployment. That is the real reason unemployment will hit 8½ per cent—conservatively. That is the real reason why the Australian Labor Party will succeed in getting one million Australians unemployed once again. And that rests around the necks of the Australian Labor Party and the minister responsible for this legislation.

The Labor Party claim to be genuinely so concerned about equity and fairness in the labour force—genuinely so concerned and of the view that their award modernisation process is not going to drive up unemployment. We saw this commitment from the
Deputy Prime Minister, which frankly, is not worth the paper it was written on. She uttered that, as part of award modernisation, there was a balance to be achieved—a balance that would not force up labour costs and that would not disadvantage employees. That was the commitment that the Deputy Prime Minister provided. If that commitment were actually worth anything—and we know that it is just a glib case of the Deputy Prime Minister engaging in political spin: ‘I have got a problem with this; I will just throw out a pithy little remark like that and reassure everyone in the most general way that there is not going to be a problem’—then why won’t the Deputy Prime Minister support the amendment that is being sought by the coalition?

In this amendment, the coalition has moved to actually enshrine in legislation this pithy little comment that the Deputy Prime Minister made. We have sought, as part of the amendments that will be moved by the shadow minister, Mr Keenan, to ensure that we include relief from increased labour costs under part 4. We have sought to recognise that the Labor Party and the Deputy Prime Minister actually said that there would not be an increase that would disadvantage employers and that a situation would not arise that would disadvantage employees. So why not include that commitment in the legislation? Why not actually incorporate it so that Australians can be reassured that it is not simply some breath of hot air from the Deputy Prime Minister—some kind of spin strategy to try to provide some glib reassurance to Australians? Incorporate it in the legislation. That way we can all rest assured that there will not, in fact, be an impost on employers.

I reassert that the government should get behind these amendments to ensure that this legislation actually does as the Deputy Prime Minister promised. The government should ensure that award modernisation does not drive up business costs and does not force those people that currently have jobs onto the unemployment scrap heap. That will be the true measure of this legislation—what happens to the unemployment rate and how quickly Australians get jobs again.

Mr MARLES (Corio) (11.58 pm)—It is a real pleasure for me to stand in support of the Fair Work (Transitional Provisions and Consequential Amendments) Bill 2009 and the Fair Work (State Referral and Consequential and Other Amendments) Bill 2009. It is a great pleasure for me to be supporting these bills with the member for Charlton in the House—a member with whom I have had a long association on these issues.

The Fair Work Act was assented to on 7 April this year and it represents, against a dark recent past in this area, a bright future for industrial relations where we have fair, flexible, stable and predictable laws. The extreme experiment of statutory individual contracts, which was undertaken by the Howard government, is now at an end and these bills provide the bridge from that dark past to the bright future.

When you listen to the ranting and the table thumping of the member for Moncrieff you get something of an idea of what is still in the heads of those in the opposition. It is very clear that deep in the recesses of their hearts the opposition are the party of Work Choices. Indeed, I think the word that the member for Moncrieff used was ‘galling’. I have no doubt that it is galling for the opposition to see Work Choices being thrown on the scrap heap. But they need to understand that what ordinary working Australians want is simply a fair system of laws, and that is what these bills provide for.

There are a number of key dates set out in these two pieces of legislation, as well as the road map from the past to a stable industrial relations future. Under the bills, the National
Employment Standards and minimum wages will now apply to all national system employees from 1 January next year irrespective of whether they are working under an instrument which was entered into under the Work Choices regime or under the new regime. The Australian Fair Pay Commission standards will continue as transitional minimum wage instruments for the back half of this year—1 July this year until 1 January 2010. Fair Work Australia will give its first annual wage review by 30 June 2010.

Supplementing that safety net are awards and there is a process of award modernisation underway. The process of award modernisation is intended not to reduce any person’s take-home pay. Fair Work Australia will be given the power to put in place orders to ensure that no working people suffer a significant reduction in take-home pay by virtue of awards being modernised, taking into account, of course, whether there are other provisions of a modernised award which compensate for any reduction in pay in another way.

Agreements which have been entered into under the previous law or under the new law will continue or have the ability to continue until their expiry. Unmodernised award instruments will be replaced by modernised awards as those awards are modernised. Fair Work Australia will be empowered to remove any discriminatory provisions in these instruments and to resolve any ambiguity, particularly in relation to the introduction of these instruments with National Employment Standards. Individual transitional employee agreements will continue to be able to be entered into until the end of this year, 31 December 2009, and current individual agreements that workers find themselves in can be conditionally terminated in order for those workers to participate in collective bargaining.

The processes for establishing protected industrial action will not carry over to 1 July this year. That is to say, any processes for protecting industrial action which are underway right now must either result in a concluded agreement by the end of this month or, if that does not occur, be re-established under the new law. Agreements lodged between 1 July this year and 1 January next year will continue to be tested against the no disadvantage test and after that time they will be tested against the new provisions in the Fair Work Act.

In terms of the industrial institutions, the Workplace Ombudsman will cease to operate from 1 July this year. The Australian Fair Pay Commission will cease to operate from 31 July this year. The Workplace Authority will continue to operate through until 31 January next year for the purpose of assessing agreements which have been entered into prior to the introduction of the new law. The Australian Industrial Relations Commission and the Australian Industrial Registry will continue through until 31 December this year but Fair Work Australia will commence from 1 July this year, meaning that there will be a dual period of operation for six months. Industrial Relations Commission members will be transitioned to Fair Work Australia on the same terms and conditions that they currently hold. There will then be a specific fair work division of the Federal Court and the Federal Magistrates Court established from 1 July this year.

In terms of representation rights, deeming right of entry permits under the Workplace Relations Act will be valid under the Fair Work Act and arrangements will be put in place which will allow state registered unions to participate within the federal system with Fair Work Australia being given broad powers to provide for representative orders for those state registered unions.
The Fair Work (State Referral and Consequential and Other Amendments) Bill 2009 will operate to provide for a seamless and streamlined national industrial relations system, which is a very important microeconomic reform in the Australian economy. It will enable states to refer matters to the Commonwealth. It will provide for transitional arrangements for Victorian employees who are currently working under the Victorian provisions of the Workplace Relations Act. They will be placed into these provisions within the Fair Work Act. Indeed, it is anticipated that the state of Victoria will provide a new referral of power to cover the operation of the new provisions in the new act relating to those Victorian employees. All of that provides a framework for other states to engage in similar referrals of power to the Commonwealth.

As I stated at the outset, what these provisions do is provide the process by which we move from that dark recent past of extreme industrial laws to a fair, modern, moderate, sensible system of industrial relations. It provides for the end of statutory individual contracts—a discredited and failed experiment on the part of the Howard government, where they sought to make statutory individual contracts their pre-eminent industrial instrument in the workplace. That is now gone and what we have in its place is a return to enterprise based collective bargaining being the centrepiece of our industrial relations system and the basis upon which we establish the pre-eminent industrial instrument. In doing that, we will bring ourselves into line with the rest of the developed world.

This represents the establishment of a proper safety net. It represents the establishment of a much fairer bargaining system. It represents a balanced, settled, fair, flexible set of laws which will promote productivity and employment within our economy but will do all of that in a way which protects and enhances fairness for all working Australians. This is a set of laws which will in turn have a fair set of unfair dismissal provisions.

In a way, what typifies the approach of those on this side of the House when it comes to industrial relations—and contrasts with the approach of those on the opposition benches—is the consultative process which has been undertaken in reaching the Fair Work laws and these transitional bills. Under the Howard government we had the introduction of Work Choices, but before the 2004 election not a word of those reforms was ever breathed, and yet Work Choices became the signature reform of that term of government. There was no question of mandate; it was not even mentioned in the election, but the opposition woke up one day to discover that they had control of the Senate and they said, ‘Yippee! Here we go,’ and introduced, from their point of view, their lifelong dream of an ideologically extreme set of industrial laws. And they pushed them through the parliament in about a month.

By contrast, in the process of establishing the Fair Work Bill, we have had extensive consultation with employers and unions—and to that extent I would like to congratulate the employers and unions who have participated in extensive meetings which have given these laws a sense of robustness which simply did not exist with the previous laws. To that end I would also like to congratulate the Deputy Prime Minister for the role she has played in overseeing that consultative process. I would also, with your indulgence Mr Deputy Speaker, like to mention Andrea Lester, in the Deputy Prime Minister’s office, who has done an extraordinary amount of work in bringing all these laws to a conclusion.

These bills represent the bridge from the dark days of Work Choices to a new fair era
of industrial relations in this country. These bills represent the final nail in the coffin of Work Choices. This is the end of that. It is the beginning of something bright, new and fair. And for that reason this is a very significant day indeed. I commend the bills to the House.

Mrs MIRABELLA (Indi) (12.10 pm)—It gives me no particular pleasure to follow the member for Corio in this debate on the Fair Work (Transitional Provisions and Consequential Amendments) Bill 2009 and the Fair Work (State Referral and Consequential and Other Amendments) Bill 2009. The member for Corio’s predecessor was somewhat more colourful and more passionate when he got up in this House to speak on issues that were of concern to him and his electorate. But I do not blame the member for Corio in doing what has to be done when you come from his background and when you get the sort of factional union support that he had to get to be fortunate enough to get preselected for the seat of Corio.

Mr Sidebottom—Get on with the legislation.

Mrs MIRABELLA—That angers some on the other side of the chamber but let us be open about some of these things.

This is a very important issue because there is a big gap between reality—what is happening out there, particularly in smaller communities in rural and regional Australia—and the mythology and ideology consuming the government, particularly the office of the Deputy Prime Minister. We have had the Deputy Prime Minister promise that the government’s so-called award modernisation process would not disadvantage employees or increase costs for employers. Is this some sort of magical doublespeak? This is absolute nonsense. We know that it is not true now and we know that this will not be true in the months and years ahead.

We have seen recently the minister’s concession for the hospitality sector. In effect, this was an admission that the government’s so-called modern award will disadvantage both employers and employees. Well, guess what, I have a message for the government: that is not the only sector in the Australian economy that is going to be disadvantaged. Concessions have been made for restaurants, cafes and catering companies. They have successfully argued that they should be treated differently from hotels, but what about all of the other sectors? We are now hearing from retail and fast-food outlets, from pharmacies and from businesses that exist purely because of tourism—businesses that work outside normal hours of operation. All of these sectors have relevant claims that they will be disadvantaged under the government’s award modernisation.

My electorate in north-east Victoria has ski resorts, important winery regions, the largest concentration of micro breweries and great historic places; places such as Corryong on the Upper Murray—the land of the Man from Snowy River—and Ned Kelly country in Glenrowan, Mansfield, Benalla and Wangaratta, are much visited parts of Australia. Many of our local businesses in certain towns and shires have grown and the local employment market—seasonal as it may be—has depended on developing the tourism product. People whose businesses may have become redundant due to structural reform or changes in the local economy have taken a risk and invested their money in another business, which is based in tourism. And what happens? During an economic downturn they are to be penalised even more.

I have these businesses knocking on my door asking: ‘Sophie, how are we supposed to do this? We can’t afford this. Don’t they understand? Doesn’t the Deputy Prime Minister understand that we only make our
money on public holidays and on the weekends—after hours—because that is when people have time to consume a tourism product? Surely the Deputy Prime Minister understands this. Surely she can be flexible and the government can look at the reality of what is happening on the ground. We are not talking about the sorts of groups that the Labor Party likes to hate—the megarich, whoever they are; we are talking about your small business, sometimes your microbusiness. These are the people who take the risks, put their own capital behind a venture, employ themselves and often, if they can, employ others, and that is how local economies grow. In rural and regional Australia there is a higher proportion of people employed in small business, so this is going to affect people in rural and regional Australia significantly—some would argue more than the capital centres.

But it is not just the tourism industry. A local independent supermarket owner has contacted me with regard to the new general retail industry award. He is concerned that the new award will have a very serious effect on his business. Many of his employers are working mothers and students who rely on flexible hours and casual work. Isn’t that interesting? At a time when the government is telling students in a declining economy to work more, to work 30 hours a week, it is making it difficult for employers in the retail sector to employ them. Under this so-called modern award this employer will have to pay casual staff $39.48 per hour and full-time staff $31.58 per hour on a Sunday. This is what he said:

As a concerned employer, I do not want to reduce staff—which is understandable, he is a local employer; he has relationships with his staff in a small town, as opposed to a metropolitan centre. You do know more people in the town you live in and you do have greater connection to them and their families. He goes on to say:

but I fear that this may be one of the inevitable consequences of the introduction of this new award.

I certainly hope it does not have to get to that stage.

Another area that will be significantly impacted on, and they are starting to gather and organise, is the horticulture industry. Award modernisation is set to impose an enormous increase in costs to horticulture, particularly fruit growers. The award modernisation will greatly affect growers and put additional costs and stress on the business of fruit growing. Even in the relatively high rainfall area of north-east Victoria, where my electorate is situated, we too have suffered from prolonged drought. So what will this so-called award modernisation process do? Well, it is just going to add to that stress. Fruit growers are estimating an increase in costs of up to $10,000 per hectare. What does this government want? Does it want to drive small producers and horticulturalists out of the industry? Where does it expect Australians to buy their fruit from? Are we going to import everything from China? Has the government actually asked the Australian consumer where they want to source their food from? I would say that vast majority would say, ‘We want to buy Australian’. But for how much longer will we be able to afford to buy Australian grown produce when these huge cost imposts are imposed on the producer?

I do not want to be smart, I do not want to be sarcastic, because I know the Deputy Prime Minister is a reasonably intelligent woman, but let me state a few basic facts. Fruit is picked when it needs to be picked and when it needs to be packed, and that could happen on weekends for the wholesale market so it can be ready for chain stores on...
a Monday. You do not have a choice to employ staff during the so-called cheaper periods. Limits on hours worked by seasonal staff will seriously disadvantage them as well. Strict rules on overtime will mean that employers will have to pay workers overtime if they work more than 38 hours in one week. And guess what? Another basic fact: fruit picking is seasonal work. Fruit does not grow all year round. Even those members in this House who live in capital cities and who might be able to source a particular fruit year round will know, or should know, that that fruit does not come from one part of the world, because fruit is seasonal. So what does that mean? That means that workers earn as much as they can when they can. Employers will now restrict workers so that they do not have to pay expensive overtime rates because it is just not affordable. The same goes for the tourism industry. It is seasonal.

The minister and the government must recognise that these industries, other than hospitality, will suffer under the award modernisation process. Surely some common sense needs to be injected into this whole process, and it is not beyond the government to do so. I urge them, on behalf of the small businesses of my electorate, to please have a look at this again. Those opposite do not want to put people out of business at a time when the estimates for unemployment next year are at one million. Those opposite do not want that figure to go up higher. I certainly do not. No amount of pandering, no amount of paying back certain lobby groups and certain unions is worth an increase in unemployment. It will make the job of recovery even harder and it will mean that, if certain industries close down because it is too expensive to employ labour when they need to do so, then we could lose some of those industries forever because it is very expensive to start up certain businesses from scratch, particularly in the agricultural sector. We may possibly see whole industries close down forever. That reduces our ability as a nation to have an indigenous capacity to make our own goods, to grow our own food, and that is a serious concern, not just for me, as a member who has a rural and regional electorate, but for all Australians.

Mrs Markus interjecting—

Mrs MIRABELLA—Urban Australia is definitely concerned, as my friend the member for Greenway has just reminded me. The coalition will be moving amendments to Labor’s legislation to save jobs in all sectors, and I urge the government to have a close look at these amendments. These amendments will help to take the edges off some of the most job-destroying parts of this law, ensuring that we go some way to preserving the jobs of working Australians.

I feel very passionate about this, coming from a small business background myself. I know how hard it is to make a buck out there, competing against big players, and I know how much harder it is to hold on to what you have once you have made a bit of money. Government seems to want to be taking it from you from all angles. I know how hard it is to try and survive during a recession. I remember, because I worked in my father’s milk bar during the last recession. I was very proud of the fact that he managed not to make money through the recession but to survive. We want to make sure that our small businesses right around Australia survive. Please do not penalise them. Do not treat them with some blanket rule that some group of union heavies has sat around a table and decided on and said to the government, ‘This is what we want you to do—there’s no compromise on that.’ This is bigger than that. It is bigger than interest groups. It is about jobs, it is about real people and it is about sustaining communities. I
urge the government to rethink their approach to this legislation.

Mr SIDEBOTTOM (Braddon) (12.24 pm)—I am very pleased to rise today to speak on the bills before us, the Fair Work (Transitional Provisions and Consequential Amendments) Bill 2009 and the Fair Work (State Referral and Consequential and Other Amendments) Bill 2009. In addition to the earlier Fair Work Bill, these bills give effect to the mandate this government so clearly received in the 2007 election. That is why we are here and that is why we are discussing these bills.

Contrary to the doomsday predictions we just heard from the previous speaker on the other side, the member for Indi, concerning our fairer workplace relations system—predictions which one can read daily ad nauseam, particularly in the Australian newspaper—these bills will ensure that Australia has a modern workplace relations system with guaranteed workplace rights and guaranteed minimum standards. Amongst other provisions, these bills give employees a fair safety net of employment conditions which cannot be stripped away. It will give all workers, not just those who work for large businesses, the right to responsibly challenge an unjust dismissal.

In our plan Forward with Fairness, which Labor took to the 2007 election, we committed to a new workplace relations system which will be fully operational by 1 January 2010. The government, as other speakers have mentioned, sought input and collaboration far and wide for both the Fair Work Bill 2008 and the bills we speak on today. Indeed, the Senate inquiry into the Fair Work Bill heard from 154 organisations and individuals and heard evidence at six public hearings across the country. We have listened and we have taken that into account.

When a majority of Australians voted against Work Choices at the 2007 election, as did the good folk of Braddon, they voted against what I believe were two essential parts at the heart of the Howard-Costello obsession—an obsession, I would add, that still burns brightly for the member for Higgins. The first is that the Howard government reforms allowed a worker’s safety net to be stripped away, as simple as that. That pushed workers below safety net standards, losing them their penalty rates and overtime. No amount of late backtracking and backsliding by the former Prime Minister could remove this stain. Secondly, Work Choices allowed good workers to be sacked for no reason at all, with no remedy and no real avenue to challenge it. That was a fact. In these instances there was no choice or fairness in Howard’s so-called Work Choices.

I noticed with interest in Peter Hartcher’s latest book, To the Bitter End, that the unlikely duo of the members for Warringah and Menzies sought to dissuade Howard and the cabinet from dismantling the minimum award safety net. They were singularly unsuccessful in their efforts but, prophetically, their portents were to prove correct. Work Choices skewed the balance of power far too far in favour of employers, many of whom, I would say, were not happy with this unfair imbalance. I am very proud to be able to say that the Rudd government is swinging this balance back to the middle, where it should always have been. Hence, we do not please everyone, and that is a sign of reaching the middle—an equilibrium.

There are doomsayers populating commentary pieces—again, particularly in the Australian newspaper and also amongst spokespersons from the Minerals Council—who would have us believe that the unions have re-emerged as the key victors in the changes outlined in this legislation. I would argue that by any measure the restoration of
workers’ rights has been the big winner, and the retention of flexibility but fairness for employers and employees is a direct consequence of these changes.

When we talk about Work Choices and its role in stripping workers of their right to claim their entitlements and in forcing them onto Australian workplace agreements, the changes under the Fair Work Bill will be very well received in my electorate of Brad- don. I know of many north-west Tasmanians who were forced onto substandard Australian workplace agreements under Work Choices, and so to this end the Rudd government has already passed a transition act in the parliament to stop new Australian workplace agreements being made. Work Choices skewed the balance of power far too far in favour of the employer, as I mentioned a moment ago.

I would like to take a moment to talk about the National Employment Standards, which are a key element of the Fair Work Act. The new standards, which were released in June last year and which will come into effect from 1 January 2010, will apply to all employees in the federal system, regardless of industry, occupation or income. As mentioned earlier, in the spirit of consultation the Rudd government sought advice from stakeholders right across the country in developing these new standards. If we compare the new standards with the former guidelines, Work Choices, the Work Choices standards comprised 149 pages of complex and difficult to understand information. In amongst all that, there were just five minimum conditions. The new National Employment Standards feature 10 protections in just 50 pages. The 10 standards include maximum weekly hours of work, a request for flexible working arrangements, parental leave and related entitlements, annual leave, personal and carers leave and compassionate leave, community service leave, long service leave, public holidays, notice of termination, redundancy pay and a fair work information statement.

In their opposition to this legislation, the Liberals choose to nitpick around the provisions for unfair dismissal and the definition of small business. Under our reforms which will come into effect on 1 January, the threshold used to define a small business when dealing with unfair dismissal claims will change. I will make it clear how that will change. Under our system, businesses with fewer than 15 employees will fall under a special arrangement whereby those employers will get 12 months to assess their workers to see whether they fit into their business, their business model and their arrangements. If things do not work out, they do not work out. A dismissed worker cannot make an unfair dismissal claim. So there is a 12-month relationship for people to make an assessment about that arrangement. Businesses with 15 or more employees will get a full six months to determine that relationship—50 employees, 100 employees, 200 employees and above.

The Liberals say that this is unfair to the employer, that employers will not want to take on new staff for fear of a lawsuit if things do not work out, and they want to lift the number of employees in the definition of a small business to 20. I respond to this claim by simply saying that the Australian people voted for this reform. All aspects of our unfair dismissal policies were open to the public long before the 2007 election. This is our mandate and this legislation gives effect to it, unlike John Howard and the former government, which imposed Work Choices on the employers and employees of this nation.

There has also been some talk amongst doomsayers about how the new Fair Work Bill will exacerbate the effects of the global economic crisis that our country is currently
in the throes of. Some have complained that while Fair Work is a great idea when the economy is booming it is not so great when the economy is contracting. My response to that is the same response that Minister Gillard has previously given in the House and in public: Fair Work is a fair and balanced policy for both the good economic times and the bad. It is the same as the universal rights of man and basic human rights. They do not change according to the weather or from day to day. They are universal principles in every sense of the word. As I said, Fair Work was designed not just for when times are good. It is flexible and it is fair, which is what Australian workers and employers want for each and every day they go to work.

Some predict that these changes will add to unemployment. Indeed, the whole scare campaign run by those opposite, particularly in the pages of the Australian newspaper, really gives testament to what people will see, and could only see, as a negative. These laws are about balance and flexibility. They are positive. In answer to whether things are good or bad, if you have been working in a job for five or 10 years or more it is simply not fair to be suddenly sacked, out of the blue, and not be able to do anything about it. That is what people are facing before this legislation takes effect. To have your redundancy entitlements stripped away and have no compensation at all is what happened under Work Choices, and that is what we are going to stop.

This legislation sets out the transitional and consequential changes that will ensure a smooth transition to the Rudd government’s new workplace relations system. These bills will operate with the Fair Work Act to see the end of the unbalanced and unfair Work Choices laws, to the great delight of the majority of Australians, and in accord—and I reinforce this—with this government’s mandate received at the 2007 election.

Mr KATTER (Kennedy) (12.35 pm)—In speaking to the Fair Work (Transitional Provisions and Consequential Amendments) Bill 2009 and the Fair Work (State Referral and Consequential and Other Amendments) Bill 2009, I note that I was a very strong opponent of the industrial relations reforms of the previous government. When we had collective bargaining taken away, the wool industry was the first industry to be deregulated, and then all the other farming industries, in every single case, followed. The last industry to be deregulated was the dairy industry, and within two years of deregulation we had lost 30 per cent of our incomes. Within two years the wool industry had lost 50 per cent of their incomes. If the opposition when they were in government could not see the disastrous outcomes of an inability to collectively bargain, they deserved the fate which awaited them in November 2007, when the people of Australia passed their judgment upon them. The average person in Australia may not think all of the time, but if you assume that he is going to be dumb all of the time you will end up not being in this place.

As a person who worked for a significant period of my life as an employee in working-class jobs and as a person who worked as an employer for most of my life, I can see two sides of the coin. If you live in the real world, if you think that you can negotiate as an individual with your employer, you obviously have never worked in an employee situation—otherwise, you are a very stupid person; that is for certain. I am not going to go to my boss and say I want a 20 per cent raise. I know what my boss would have said to me if I had done that when I was working for Mount Isa Mines. It would not have been very pleasant at all. I would rather have died than have gone to my boss and asked for that.

As a young bloke, I made a complaint about safety. I nearly lost my job over it.
They did not like stirrers, troublemakers or people who questioned the way that they were doing things. So I shut up. I was on a lot of money and no-one else was speaking up about it. I am a bit ashamed to admit this, but I shut up and accepted that we would continue to work in an extremely dangerous situation. I do not hesitate to describe it to the House; it was on the shaker. You stood on one of the two platforms that led up to the shaker. When it got frozen, one bloke stood on one side and hit it with a sledgehammer. Then he jumped off real quick. The bloke on the other side would then hit it with another sledgehammer. Eventually it started to move, but it would come at you at 60 miles an hour when it started. The platform we were standing on, of course, was very hot indeed. The thing should have been fixed so that we did not have to go through that ridiculous business of hitting it with sledgehammers and jumping off with a fraction of a second to escape injury. I use that as an example to indicate that I myself was not rocking the boat; I was on big money and I was going to stick on it. I would not have had to make the complaint if I had had a union. The union could have made the complaint. I was stupid enough to make the complaint myself and I learnt my lesson. I know what would have happened to me if I had gone and asked for a raise. I was not one of their most outstanding employees.

That is the real world in which we live. I have used individual situations, but I also use the vast global experience of the farming communities of Australia. Every farming sector that was deregulated went down into the destruction zone. When they deregulated the sugar industry and removed protectionism—which is a dirty word in this place—other countries must have been laughing at us so much. Obama just gave $43 billion to General Motors and we come in here and say protectionism is an evil word. If you read the Australian Financial Review and the Australian, which I do not do and hope nobody else in this place does, you would have all of the economic prerogatives that led to what happened to Australia in the eighties. They lauded all of those people. Six of them got away with $5 billion in the space of two or three years. Those people were lauded in the pages of those newspapers, and we were told that these were the wonders of the free market system.

The wonders of the free market system have removed all manufacturing in Australia. Almost every single bit of manufacturing has gone. Mr Keating was the initial architect of our misery, and the last government continued his destructive work. To use the motor vehicle industry, the biggest manufacturing industry in Australia, as but one example, 72 per cent of cars in 1984 were Australian made. Two years ago, only 19 per cent were Australian made. If you think you can rely upon what comes out of Treasury, have a look at the ORANI model. They produced the ORANI model to prove there would be no intrusion. In my book, soon to be published—a history of Australia—Mrs Orani is told she should sue for divorce and ask for punitive damages because her name was used in such a laughable document. This was put out as gospel by the Productivity Commission and the Treasury of Australia, the same people who told us in 1932 that we should have tight monetary policy. Thank goodness they are not giving that advice at the present moment. They have not had a very good history.

We now have a nation that, thanks to the policies of deregulation, has no manufacturing base and has a collapsing farming base. Cattle numbers are down 20 per cent. Sheep numbers are down over 50 per cent. Manufactured dairying is down about 20 per cent.
Even fresh milk is down 10 per cent—I do not understand that, but it is. In the sugar industry, our fourth-biggest industry in Australia, we have been closing four mills every six years. We only have 24 mills left, but there are countries that do not pursue these policies. They are building 40 ethanol plants every year in America and they are building 24 sugar mills every year in Brazil.

The policy outcomes are what governments and bureaucrats should be judged upon, and the policy outcomes have been absolutely disastrous for this nation. Mr Costello kept standing up in here and saying he would balance the budget. Wasn’t he a clever fellow? If you increase taxation by 300 per cent, you too can balance your budget. He came in when the budget take was $90 billion and when he went out the budget take was $260 billion. You can balance the government’s budget quite easily, but he never balanced the country’s budget. Under Mr Costello the country was the most unbalanced in Australian history.

The DEPUTY SPEAKER (Hon. Peter Slipper)—The honourable member for Kennedy ought to know that under standing order 64 he has to refer to honourable members not by their actual names but by their electorates or positions.

Mr KATTER—Thank you; I should know that. I stand corrected. To come back to the legislation here, this is all about deregulation of the labour market. I have gone through the hopeless failure of deregulation in every single sector of the Australian economy—through the absolutely dismal, hopeless failure which has left a country with no manufacturing base and a collapsing agricultural base. That is what deregulation has done. If you applied that to the labour market we would be back where we were.

I am one of the few people in this place who has stood up to the unions and copped it as a result. I was one of the ministers involved with the emergency legislation in Queensland—and I do not blame Joh or absolve myself of responsibility. We moved that legislation because we had to move that legislation. The unions had gone far too far. They felt they could attribute to themselves six months annual leave, twice annually. That was the sort of situation we were getting into in Queensland. So there had to be a pull-back, but never at any stage did we contemplate deregulating the labour market. Never at any stage did it get discussed at any level by us. It was utterly unthinkable. I suppose that most of us at one time or another had been in working-class jobs and we had known what it was like to be part of the employee class and to know that you needed the protection of the union in collective bargaining. I am not holding up the unions as any great Holy Grail, far from it, but as imperfect as they are there is a mechanism there that a democracy needs.

For those of us who read history books, we should reflect upon the days before unionism, before 1915. Australia changed so fundamentally when Theodore took control of the running of Queensland and Australia. It was a different nation after that. But before that, in 1909, one in 32 of us who went down the mines—and every single one of my forebears came from mining areas—never came back up again or came up and died the dreadful death of miner’s phthisis, which was afflicting one in four miners at that stage. That is why we needed collective bargaining. It would be like little Robbie Katter at Mount Isa Mines back in the 1960s complaining about the shaker. No-one was going to listen to him and he would be shown the door if he started whingeing again about some safety condition.

We needed someone to represent us on a collective basis, and that was the reason why the deregulation of the labour market was so
fundamentally bad and why people I had ever seen in my life were handing out how-to-vote cards. They were out there handing out how-to-vote cards and working passionately because they were intelligent, thoughtful and caring Australians and they knew this was wrong and that it had to be reversed. But it does not seem to me that anyone on the opposition side of the House has learnt their lesson. They are still out there—and this legislation is a good example—trying one way or another to nefariously return to deregulatory policies which proved so bad in every form in Australia, and so bad politically I might add as well. They have learnt no lessons at all.

I ask the opposition to please understand that the idea that you sell a commodity like wool with 20,000 people all selling their own little block separately is not a better arrangement than our getting together and selling it collectively. Have a look at the outcomes. When Anthony introduced it, the price of wool in the next two years went up 300 per cent and, when Keating took it out, the price dropped clean in half over the next two years. And that was pure coincidence, was it? Nobody can maintain there was any element—

Mr Tuckey interjecting—

Mr KATTER—I take the interjection, because I know a hell of a lot about it. One of my best friends happened to be head of the Australian Wool Corporation at the time and he said that we had a 20 per cent reduction in our demand. China and Russia were contemplating pulling out and it had a detrimental effect upon the market. We were arguing the merits of deregulation, and wool was the first case in Australia of a massive across-the-board deregulation of an industry. It is very important to look closely at what happened. What happened there was that China and Russia said they were pulling out of the market and the market went down, but at that point of time the minimum price scheme pulled it up. It was $8.90 a kilo. It was pulled back to that level, and it was at that level when Keating held his infamous press conference and indicated clearly that the government was not going to stand behind the scheme. Everyone assumed that the government was saying the price was going to go down. It was a self-fulfilling prophecy and the price went straight through the floor at a hundred miles an hour. I rang up Doug Anthony at the time and I said, ‘We are going to find it hard if we lose this.’ He said, ‘How far do you reckon the price will go down if you don’t keep the scheme or if it goes into freefall?’ I said, ‘30 per cent.’ He said: ‘Right, that’s $2 billion a year. How much is it going to cost you to give a loan to Russia and to China to buy that wool?’ I said, ‘A lot of money, $200 or $300 million, and it will go on for three years.’ He said, ‘How much is that?’ and I said, ‘I’ll say $900 million.’ He then said, ‘How much are you going to lose if you do not stand by the scheme?’ I said, ‘The price will drop at least 30 per cent.’ As it turned out, it dropped 50 per cent. He said, ‘How much is that?’ I said: ‘It’s $2,000 million a year for three years. It’s $6,000 million we’re going to lose.’ He said, ‘Right; now that you have got your mathematics right, go back and do the right thing in there.’

Deregulation is going to save the world! It sure would be nice if some other country on earth was participating in it. Mr Bush introduced the aluminium protection arrangements and he then introduced the steel protection arrangements. They are not doing it. The Europeans have a 51 per cent subsidy on agriculture. They are not doing it. Would anybody be naive enough to think that Japan or China are doing it? Try and sell some beef to China. Good luck, son! Every other country sticks by their industries, and they are out
there to win. We stand behind them. We are going to collectively operate here and aggressively operate here. But, no, Australia says, ‘We are going to deregulate,’ and the government stands aside and lets it all go. You will be massacred, and that is what is happening to us out there.

Returning to the legislation specifically, there are some good suggestions here, but I do not feel strongly enough about what the opposition is proposing to back those suggestions. As far as the government goes, whilst I am a very, very strong supporter and applauder of the government moving back to the direction of collective bargaining and allowing people to collectively bargain and protect themselves by way of collective arrangements in the labour market in Australia, uniformity of the legislation throughout Australia does not appeal to me. What is suitable for Sydney in uniformity of the legislation is not suitable for North Queensland—we are totally and fundamentally different. I would have great difficulty in backing the bills because they are bills about uniformity; they are not bills about IR. I have supported the government at all times on IR but I do not support the government in imposing uniformity all over Australia.

It is playing football without a referee. That is really what we are talking about with the arbitration commission. In actual fact the federal government has not restored the arbitration commission. That is wrong. We are still, in my opinion, playing without a referee. The only way you can get a referee now is if somebody gets a bloody nose. The only way you can get to the arbitration commission is if either party suffers substantial loss, which is basically a strike from the workers’ point of view or a lockout from the employer’s point of view. Short of that disruption and infliction of that sort of economic pain you cannot get into the arbitration commission.

Previously we would have a fight and then we would go to conciliation. If that would not fix it up, then we would go to arbitration, but we did not have to strike. And it is very, very hard to get anyone in Australia to go on strike these days. If the opposition is fearful of that, it is fear of the unknown—that is for certain. It just does not happen much in Australia these days because people are locked into time payment arrangements and they are not going to be able to strike.

It is a very sad day when the only way we can get collective bargaining between an employee and an employer is by way of serious strike action, serious lockout action or something along those lines. We are playing football and the only way now to have a referee is if you bloody somebody’s nose. That is the only way you are going to get access to arbitration, and that is not a way to run society.

Mr KELVIN THOMSON (Wills) (12.54 pm)—It is interesting to follow the member for Kennedy in a typically wide-ranging contribution. He had a lot of interesting things to say and I am happy to associate myself with his remarks about the need to learn from the lessons of history, both in the sense of employer and employee relationships and in the way workers get exploited if they do not have unions to represent them and look after their interests in a collective way, and also the importance of learning the lessons of history in a historical sense. The previous Prime Minister managed to lose his own seat at the 2007 election because he took insufficient notice of the fate of Stanley Melbourne Bruce, a previous conservative Prime Minister, who lost his seat in the 1920s in seeking to do precisely the same thing, to prevent workers from being represented in a collective fashion.

This legislation, the Fair Work (Transitional Provisions and Consequential
Amendments) Bill 2009 and the Fair Work (State Referral and Consequential and Other Amendments) Bill 2009, sets out transitional and consequential changes to ensure a smooth, simple and fair transition to the new Fair Work scheme, but it also seeks to provide for certainty. It is designed to ensure the universal application of a safety net that includes 10 National Employment Standards and minimum wages that will apply to all national system employees from 1 January next year. I believe a national system of guaranteed minimum standards is a necessary economic safety net for workers during what are uncertain economic times. At a time of heightened economic vulnerability it is now more important than ever that workers feel protected, and I think that the reintroduction of unfair dismissal provisions from 1 July is a welcome development in ensuring that adequate measures are in place to support workers. For the Liberal Party to have equivocated on supporting the reintroduction of unfair dismissal provisions demonstrates their inability to let go of Work Choices.

I want to remind the House about the need for unfair dismissal provisions by referring to an article published in the June 2008 Journal of Industrial Relations titled ‘The impact of Work Choices on women in low paid employment in Australia: a qualitative analysis’. This was a study of the experiences of 121 women across five Australian states who were affected by the changes arising from Work Choices. I point out that this was at a time of rising employment growth. In the area of job security what emerged from the study was significantly compromised ability to bargain in the workplace due to diminished job security as a result of the absence of unfair dismissal laws.

Alarmingly, the report indicated that 57 of the 121 women—over half—had been dismissed or forced to resign in circumstances that would previously have been challenged as unfair. Many of the dismissals occurred suddenly without warning or notice. Interviewees had no chance to defend themselves or to negotiate. Most were not dismissed because of poor work performance. Many were given no reason for their dismissal but could trace a link between it and factors such as notification of pregnancy, questioning of management decisions and behaviour, complaining of long hours, refusal to change hours or agree to other unreasonable demands or contact with a union. In some cases dismissals occurred as a result of intolerance to personal circumstances which previously had been constrained by the award and by the Industrial Relations Commission processes that no longer applied. For example, women were dismissed for missing work to care for a sick child who had become seriously ill or following a revelation that the worker was subject to domestic violence.

Contrary to the previous government’s spin that Work Choices would facilitate direct negotiation between an employer and an employee, the study revealed that low-paid women were vulnerable to a ‘take it or leave it’ culture and they were vulnerable to unilateral action. Most employees made it quite clear that they were not in a position to negotiate directly with their employers and would not be able to unless they had some job protection. So much for Work Choices promoting workplace negotiation and bargaining. It is a myth that a tight labour market protects low-paid workers from cuts to wages and conditions.

This legislation sets out the transitional provisions that move employers, employees and organisations from the old Workplace Relations Act to the new Fair Work system. I want to make two observations about transitional provisions. First, a national system requires uniformity of laws to enhance the economic dividend and administrative advantage that such a system seeks to achieve.
That is why I think the differences between the Fair Work Act and the Building and Construction Industry Improvement Act are inconsistent with a move towards a national industrial relations system. I do not believe that there is any sound justification for laws that create two standards—one for construction workers and one for everybody else.

I am aware that research by the consultancy firm Econtech has been cited as justification on economic grounds for a separate set of rules for the commercial construction industry. I want to draw to the parliament’s attention a paper co-authored by Griffith University’s Professor David Peetz, called Constructing figures: the mythology of productivity in the Australian building and construction industry, which points out fundamental flaws with the Econtech reports that have been used to support an ongoing role for the Australian Building and Construction Commission. It is this report’s conclusion that there is no economic case for legislation that specifically targets the construction industry. Professor Peetz finds that there is no economic case to continue special legislation that provides fewer rights for workers in the construction sector than are available to those elsewhere and that the old ABCC should not have separate powers that go beyond those available to other industrial and occupational safety inspectors and administrators. The authors of the report emphasise:

The construction industry is one of the most dangerous industries in the economy. It may be that there may be greater economic benefits in focusing on effective occupational health and safety regimes in the industry. It is almost certainly the case that there would be greater social and ethical benefits in doing so.

It is troubling that, since the introduction of the Building and Construction Industry Improvement Act, safety in the industry has not improved, with deaths having increased from 19 in 2004-05 to 40 in 2007-08. This is a significant concern for all parties in the industry, where it is agreed that successful management of occupational health and safety is critically important.

I believe the Building and Construction Industry Improvement Act was overly prescriptive in its regulation and cast such a wide net in terms of required conduct as to render almost all industrial action in the building industry unlawful. There have also been disproportionate penalties applied to construction workers for breaches of its provisions. The International Labour Organisation has recommended that the act be changed to eliminate excessive impediments, penalties or sanctions against industrial action in the building and construction industry. As a member of the ILO, Australia has voluntarily agreed, and is bound, to implement international labour standards in Australian labour law, including the application of international benchmarks protecting the right to strike from legal sanctions. The right to silence is a common-law privilege against self-incrimination, yet workers in the building and construction industry have been denied this basic right, facing a penalty of six months imprisonment for failing to cooperate with the ABCC. I think these things need to be understood by the parliament.

The second matter I want to draw to the attention of the parliament and the government is a concern raised by one of my constituents who is a member of the CEPU and has worked for Telstra for over 20 years. He says that last year the CEPU balloted its members to support taking industrial action against Telstra. He says:

90% of members who voted in the ballot supported taking industrial action in an effort to get Telstra to negotiate a collective agreement.

He goes on to say:

But as a consequence of the transitional bill, that ballot will effectively be declared null and void—
because of the introduction of a new bargaining framework.

He is concerned that members stuck on AWAs and non-union agreements under Work Choices have to live with those agreements to 2012 or until replaced, regardless of a new bargaining framework. You will appreciate, Mr Deputy Speaker, that the cost of running ballots is not small. My constituent is worried that Telstra can drag wage talks out ‘with the knowledge that it will take time and cost to re-ballot CEPU members’. He observes that the CEPU has offered:

- to institute a grace period suspending industrial action,
- enter into good faith bargaining with Telstra; and
- if talks broke down, to allow the AIRC to review the behaviour of bargaining parties during negotiations and then allow employees to resume their industrial action …

I think these are significant matters. I hope that the government and the parliament take them into consideration. I strongly support the measures that the government has introduced here and I wish these bills speedy passage through the House and through the Senate.

Mr TUCKEY (O’Connor) (1.05 pm)—It is interesting to hear the member for Wills speak on the Fair Work (Transitional Provisions and Consequential Amendments) Bill 2009 and the related bill. In representing that electorate he follows another notable in the industrial relations sector in Bob Hawke. It is also of great interest when the member for Kennedy talks about regulation and the protection of Australian industry. Both parties ignore some fundamental facts. The first is that once you regulate the labour industry you must have a tariff regime, because more and more the world labour market is becoming internationalised.

I was recently in Esperance, in a section of my electorate as per the new boundaries. There on the wharf was a magnificent container crane. In the port authority office was a photograph of how it got there: on the back of a heavy lift ship. The ship pulled in and they rolled this huge container crane, built in China, onto the wharf. I believe another three were delivered in the member for Wills’s state of Victoria. The only employment achieved within Australia was to plug it in. You can fix that, as the member for Kennedy would advocate. But the member for Wills should remember that his predecessor, Bob Hawke, and the previous Prime Minister under a Labor regime both introduced substantial reductions to the tariff regime as the only weapon they were allowed to use against industrial relations excesses by the trade union movement. They knew that Australia, to survive in the world marketplace, had to become competitive and you could not leave wages out of that situation.

This measure, which leads Australia back into a regulated marketplace, will have a similar effect—either there will be fewer and fewer goods made, grown et cetera in Australia or, and I do not of course support this, the Australian government will be obliged to start putting up the price of goods by making all those imported goods subject to very significant tariffs. Please remember that at that time of which I speak, the fact was that there was a 45 per cent tariff on motor cars manufactured overseas. And who paid that? The people buying motor cars.

I have just noted down a few of the lessons I have learned by being a member of this parliament for 29 years and an active employer for the previous 25 years in both the local government public service and my own businesses. The things that have always stuck in my mind are that there is no such thing as a free lunch, that action and reaction are always of equal force and that no legisla-
tion can force an employer to create a job. Once he has made the mistake of doing so, he can be encompassed by the sort of laws we are debating today. But make it too tough and he or she has some very interesting options, one of which is to take this government’s 50 per cent investment allowance and buy a piece of equipment that replaces two or three workers or at least obviates the need to employ them.

It always amazed me, and I mentioned it the other day, that there was a simple response to a very effective piece of political advertising paid for by the trade union movement in its own interest. This advertisement depicted a lady with two little kids being phoned by her boss, told to come to work and, presumably, to leave the kids at home. That resonated with the people, except that the employment sector failed to state the obvious in an alternative advertisement, which might have shown that woman saying, ‘Well, thank you for your phone call, but stick your a job, because, under the regime of Work Choices, I get three job offers a week.’ That was commonplace under Work Choices—that lady could have got a job the next day. Could she do so now? Is this legislation going to protect her if she is put in those impossible positions? No, because her primary responsibility to those children is to feed them. She would be under much more pressure today to go to work—an outrageous circumstance—because she would not know where the next job was going to come from. No doubt in those days she was earning much more than the dole paid.

It is all right to bring all this legislation to the parliament and to talk about a safety net, but, without a job, none of the rules apply to you. That is a matter of grave importance to me as an employer. In fact, let me plead guilty to putting an AWA in place with the voluntary agreement of my hotel staff in the 1960s. Why did I do that? Because they were totally confused by award conditions and, in the rolling shifts that applied in the hotel industry, they could never understand how their wages varied from week to week. So I got them together and suggested that we add up everything that they were entitled to and everything they received, divide it by the number of hours over which they were collectively employed and set that as a flat hourly rate. When I mentioned the figure, they said, ‘That much?’ They could not take that offer quickly enough. I then said, ‘Why don’t you set your own rosters within the demands of our customers?’ and they did so.

This is a serious point I want to make: notwithstanding the fact that some people, by taking the penalty rate hours, earned relatively less, it was the married women who wanted those working hours—they wanted to work nights and weekends on a flat hourly rate. Why? Because that was when was most convenient for them—their husbands were home to look after the kids.

Today, people seeking employment have a five-day week imposed on them, and they pay out thousands of dollars a month to childcare organisations. I can say that from the experiences within my extended family. I know of another employer in our extended family who could run his business seven days a week but does not have to; he is not a retailer. This employer has had female staff who worked well for him in the past but who voluntarily retired—of course, there is no ‘unfair dismissal’ of employers; employees can leave whenever it is to their advantage—when they left to have a family. As the kids have got a little older, these women have come back to him and asked, ‘Is there any weekend work, Michael?’ He said, ‘No, I lock the gates on Friday afternoon—double-padlocked—in case somebody gets in and tries to work, because I would be up for the penalty rates that are being lauded in this legislation.’ When the response comes that
they are happy with ordinary time, he says, ‘Yeah, but I’m not going to be fined later on for having made that decision. The work is just not available.’ Yet why do these women want weekend work? Because their husbands are home from their five-day-a-week jobs, so the women can leave their husbands in charge of the children.

It is the same if you are a university student, which typically involves five days a week of learning. Imagine that you need to sustain yourself by working on weekends and that you go to an employer, who says, ‘We don’t open our restaurant’—or whatever it is—’anymore on weekends because we can’t afford to pay treble time for your first hour’s work.’ Where do you go then? What do you do?

I said in my maiden speech, which just happened to be on industrial relations, all those years ago—in early 1981—you would think the fish did not bite on Wednesdays. If it so happens that you do not like going around all Sunday morning looking for somewhere to park your boat, you might think: ‘Well, I can get a job on Saturdays, and I’ll go fishing on Wednesdays. Maybe I’ll go to organised sport without taking a sickie.’ But the job is not there. The cost structure denies you the right of choice. Why did we always have double time on Sundays? That was the day you were supposed to go to church. But what are the religious days today? Friday for Islam, Saturday for the Seventh-day Adventist and Sunday for the typical Christian. So are we going to have double time on all those days? Why not? It is as sensible as the suggestion about people who choose to work on a weekend—and those people who do not choose to do not go. What is more, people who want work on those days cannot get it because of these silly laws.

Further to that point, there is no such thing as a free lunch. I understand that now laws are going to be introduced to stop people from writing on the bottom of the menu, ‘On weekends we charge an extra 15 per cent.’ Who pays that? The community. There is no such thing as a free lunch. You want to pay people for their first hour of work over a weekend, as has been said. I notice the minister now is in a bit of a panic about this. You would think working people did not take their kids to McDonald’s. You would think that McDonald’s, in working out their international profit, do not look at Australia and say, ‘Our pricing must reflect the extra price cost of labour during our operating period.’ It is all right. It looks good for those who get paid, but it looks awful for those who pay for the hamburger.

I can see the member for Murray. I know that. Turn it around, and do not insult me. Turn it down, please. I got elected before you, and I will speak to the entitlement I have got. Now, let me continue.

The DEPUTY SPEAKER (Hon. Peter Slipper)—The honourable member for O’Connor should direct his remarks through the chair.

Mr TUCKEY—Yes, I will. But I am not going to be bossed around by people in this place who only turned up the other day. The facts of life are that there are a number of circumstances that I think need to be drawn to the attention of people out there who need to know these things, because they were suckered into an argument that their kids would be better off under this Labor government. But their kids cannot get jobs. We have a mass of young people out in country areas, where work is intensely seasonal, who, by exploiting this process and working 12 hours a day during those seasonal peaks, were able to accumulate $19,000 over a 12-month period, which made them eligible for the youth allowance, going onwards to university and maybe bringing those skills back
to their own communities as science teachers or something like that. Those people have just, by another foul stroke of this parliament, been told they are no longer eligible for that assistance unless they work 30 hours a week. It sounds simple. There are not 30 hours a week for every week of the year available in their areas—too bad. You just say to them: ‘You can’t go to university. Your parents, whatever their income, can’t afford to run two households. You stay home and take some other form of employment.’

These are the sorts of things that I take exception to because they are silly. I am not talking about overtime—in other words, the person that works for five days and then is asked to work additional time. I am quite happy with that penalty being applied. What is more, let me hope that it might engage the employment of a second person. But, if you have worked your five days and the boss wants someone on Saturday, it is cheaper for him to pay you overtime than some of the silly penalty rates that will be applicable under these arrangements.

The member for Braddon went for this old chestnut of employers getting up in the morning and deciding, to use his words, to sack good workers. Good workers are recognised by good employers as the basic asset of their business. They do not get up in the morning and sack them any more than a typical worker looking across the staff he employs would ring up a woman with two children and tell her to come to work. I expect that his wife would have something to say about that if he tried. Yes, somewhere out there in the real world someone believes a woman with such low standards would do that. There are not very many—no more than there are people who justify this.

Let me say what the outcome of the new arrangements is going to be. It is going to be the 11-month work contract. To protect themselves from the abuses of unfair dismissal, employers are going to say: ‘Here’s your contract. Yes, it’s all according to Julia Gillard’s award, the minister’s award, for 11 months. At the end of 11 months, you have agreed that you complete your work with me.’ All that worker then has to do, of course, is take the obvious payments for holiday pay and everything else, go away for a month and, presumably—wink, wink, nod, nod—come back after that month’s ‘holiday’ and reapply for the job. I do not know if there is anything in the legislation that says you cannot do that. The minute you say, ‘Well, that’s it; they get 11 months work and someone else starts on the beginning of the 12th month,’ then that job is terminated. Nobody would suggest that unfair dismissal was not grossly exploited and egged on by trade union bureaucrats who should have known better.

I will give an example of people dismissing employees for the most proper reasons. They dismissed two staff after 12 months employment in an exercise that just was not working. There was nothing wrong with the people; it was just that nobody was buying the service. They paid them double their entitlement. The employees left with that money and both applied for unfair dismissal at $10,000 each. When the employer rang his employment agency and said, ‘I’m going to take these people to the High Court,’ the bloke said, ‘How much do they want?’ He said, ‘$10,000.’ The agent said: ‘Pay them. You’ll win your case, but it’ll cost you more than $10,000 each.’ That is the system. That is the exploitation that occurs.

People deliberately apply for jobs for which they are not qualified so that they can get sacked. A manager of a hotel in Alice Springs did not bank any takings on behalf of the owners, who were overseas on a holiday, and when they came back he refused to say what had happened to the money. When
he was sacked, he immediately sued them for unfair dismissal and got $40,000. Why? Because the police had failed by that stage to prove that he had stolen it. If that is your idea of fairness, I hope the next speaker gets up and tells us so.

There is no need for this. Furthermore, you cannot legislate to make a job. I predict therefore that these sorts of reactions to this particular situation will not deliver outcomes. What is more, there are government initiatives in place whereby it is simpler for an employer to buy new equipment than to hire new people.

There will be massive amounts of LNG equipment being moved into Australia on heavy lift ships—whole buildings, Meccano sets. Why? Because the CFMEU is going to get control of those workplaces again. But, if they do what I recollect them doing during the early days of the Pilbara, they will disrupt exports. They so disrupted exports last time that the Japanese went and started iron ore mines in Brazil. They are going to now buy 400,000-tonne ships. Why? To overcome their freight disadvantage. You will only have to blink up there and the phones will start ringing in Brazil. Tell me how many jobs that will create.

All this silliness, all this industrial relations law, defies these simple laws: there is no such thing as a free lunch, action and reaction are equal and, more particularly, you cannot force an employer to create a new job. I leave it to history to judge this particular move. It defies common sense and it defies the needs of Australians. Now they want trading seven days a week. Why? Because a lot of them work five days, and other people have to be employed to supply them. Do you think that Woolworths and Coles do not set their prices on that account? Of course they do. And who pays it? The very working families which this government was elected to protect.

Mr BIDGOOD (Dawson) (1.25 pm)—I rise to speak to the Fair Work (Transitional Provisions and Consequential Amendments) Bill 2009 and the Fair Work (State Referral and Consequential and Other Amendments) Bill 2009. I speak in support of these bills. The member for O’Connor just spoke about various issues to do with job losses. I have run a small business for 14 years and I always run them on the principles of equity, fairness and giving workers a good day’s pay for a good day’s work. My business grew 700 per cent in nine years. That was to do with the ability of managers to manage and to cost out the wages bill accordingly against the goods and services that they provide to the people in their community. It comes down to good management, good business practice and costing things out accordingly. All things can be managed.

The Australian government has finally delivered—thank God—the death of Work Choices with the passage of the Fair Work Act 2009. This is what Australians voted for at the 2007 election and it has been delivered by the Rudd Labor government. Indeed, we can truly claim that we have the mandate of the people to put that gross legislation to death. That is what we were elected on: a mandate to get rid of Work Choices. And we have delivered on our promise to the people. Work Choices was an insidious piece of legislation that stripped away workers’ rights and conditions. The previous government went too far and the Australian people made that decision at the ballot box. We are getting the balance right on industrial relations, fulfilling our election promises and serving the interests of the Australian community. This government, the Rudd Labor government, has a vision and a goal for a better and fairer industrial relations system. We will deliver that.
State and territory governments, as well as unions, have been extensively consulted on all aspects of the Fair Work legislation. We on this side of the House understand that all stakeholder groups require consultation on very important laws that will govern the working lives of millions of employees and employers right around the nation. We take making decisions about industrial relations very seriously, unlike those on the other side, who decided that Liberal Party and National Party ideology on this issue must apply to all, period. There was no discussion and no compromise. But we involve all the stakeholders, because we understand that we all have to work together to build our economy. We are the party that believes in exhaustive consultation, not just on these issues but on the issues such as climate change and the Carbon Pollution Reduction Scheme. We have demonstrated that in the way in which we govern.

The Labor Party is the party of jobs. We are about building jobs and ensuring that workers are looked after and protected. We all have common interests. We all want work, safety, productivity, a financial reward and work/life balance, which is so important for families in this nation. We have struck the right balance. We have set up the Fair Work Act. We continue to strive to deliver the best laws for workers because that is the Australian way and that is the Labor way.

The Fair Work (State Referral and Consequential and Other Amendments) Bill 2009 has been considered by the Committee on Industrial Legislation, which is made up of representatives of unions and employers, and amends the Fair Work Act to enable states to refer matters to the Commonwealth with a view to establishing a uniform national workplace relations system for employers and employees in the private sector. The provisions in the bills relating to the referral of Victoria’s industrial relations powers are the outcome of extensive consultation with the Victorian government. Again, I stress the exhaustive consultation that has gone on between workers, unions, businesses and peak interest groups. This government is well on the way to achieving its goal of a uniform national workplace relations system for the private sector. This legislation also provides scope for referring states to choose the extent to which the act would cover the public sector workforces.

I want to refer to members who have spoken previously in this debate. The member for Moncrieff ranted and raved about how he understands small business, but how many small businesses has he set up from the grassroots? I have spent 14 years in small business. I have set up two businesses from scratch. I have grown those businesses and looked after workers along the way. I ask the member for Moncrieff: how many businesses have you set up? How many people have you employed? How did you treat them, if you did employ them? I am not currently aware of him owning any small business. I ask him to give that information to me in time.

The member for O’Connor, who also spoke previously, is a Work Choices Muppet—or should I say ‘puppet’. He mouthed on about various religions and their days of worship. It does not matter about your religious belief; what matters is a fair day’s pay for a fair day’s work. Whenever people work they deserve health, safety and decent pay for a decent day’s work.

I come to this place having owned businesses for 14 years and having grown small businesses from the ground up. I have always looked after my workers, I have always treated them with dignity and respect. As a business owner I stood rock solid against Work Choices. It was unfair in the workplace. As a previous small business owner I stood against it. I felt the Work Choices laws
that were in place were absolutely terrible. Profit is not everything; it is quality of life, quality in the workplace, health and safety, and community. Those on the other side do not consider the community; they only consider the self—the state of one. I endorse what we have put forward here today. I totally support these bills.

Dr STONE (Murray) (1.33 pm)—I too wish to speak on the Fair Work (Transitional Provisions and Consequential Amendments) Bill 2009 and the Fair Work (State Referral and Consequential and Other Amendments) Bill 2009. This is very important legislation indeed. It is all about our future in terms of who can afford to employ someone even when there is demand for their product. Who will take a second look at the newcomer to the workplace—the unskilled and untrained person, the disabled person or the young mother wanting flexibility in the workplace?

Conditions are so tough in this country that we are going to see even more unemployment than we currently have. The coalition created 2.2 million jobs. When we left government there was work for all. We, in fact, had some of the highest rates of workforce participation ever and we were proud of the fact that some very long-term unemployed found work and found new meaning in life. After all, who you are and what you are in Australia is very much identified with work if you are of working age. Unemployment is currently at 5.4 per cent, and it is going to get worse. It could peak at well over nine per cent in 2011. That will be over one million Australians without work, and that will be a tragedy.

This legislation is of critical importance. I want to focus my remarks on the horticulture industry. Others have spoken about the retail industry, other industries that require flexibility, microbusinesses with just one or two employees and the hospitality and tourism industries that have significant numbers of part-timers and casual workers. Horticulture seems to be completely beyond the mindset of the Labor government. They seem to be completely out of touch with the reality in rural Australia when it comes to making proper and adequate moves. I will describe what has happened.

In January 2009 the Australian Industrial Relations Commission released the exposure draft of the federal horticultural award 2010. This was part of Labor’s so-called modernisation of the award system. The exposure draft allowed for piecework to continue in basically the way it had done over the last 25 years. Generally the fruit industry was accepting of the proposed new horticultural award. Piecework is pivotal to the harvesting, pruning, thinning and packing work needed in the horticultural industry. Piecework has been the method of employment for most for decades, and it has had the full support of the Australian Workers Union.

On 3 April 2009, a few months later, the AIRC released the horticultural award 2010 and the industry was shocked to find that clause 15 of the award had been totally redrafted and no longer reflected the previous exposure award or any previous awards that they had seen. The redrafted clause sees the piecework loading increase from 12½ per cent to 15 per cent and has imposed a floor to piecework rates based on a minimum hourly rate, and hence has undermined the whole concept of piecework altogether.

The minimum hourly rate will have an enormous impact on the horticulture sector, the growers of our fruit and vegetables. This sector relies heavily, as I have said, on a casual workforce and it requires flexibility in weekend work and after-dark work. It must be noted that the intent of piecework is not to financially disadvantage employees. In fact, good pickers can earn well in excess of the
minimum hourly casual rates. The advantage of piecework for a significant portion of the casual workforce—including the grey nomads, as they are called, or newcomers or inexperienced workers and the physically disabled individual who wishes to work in the workforce but must do so at their own rate, perhaps just initially—is that they can choose to work at their own pace. These workers in the future may not be employed due to their inability to meet minimum piecework requirements based on the required minimum casual wage. That is not fair to those workers. It does not achieve anything but to remove numbers of people from the workforce who enjoy hard physical labour and who, using the skills and capacities they have, make a contribution to their own lives and their independence, and to the nation.

Furthermore, piecework in its intent has continued to be recognised under the federal pastoral award 2010. The best example is that of shearsers shearing sheep, whereby the shearer is paid piecework for the number shorn per day. The same concept should therefore be okay and should be applicable to the horticultural sector. Apparently piecework is not a total anathema to the Labor government.

So we have this extraordinary situation. The federal horticultural award 2010 also imposes further costs on growers by the changes to penalty rates and overtime restrictions. Many horticultural sectors are required to harvest during particular times of the year, often on successive days on a daily basis, day after day, seven, eight, nine, 10 days straight, due to the highly perishable nature of their products. Tomatoes do not wait, strawberries do not wait, harvest-ready summer fruits cannot wait, the weather might change, there might be rain, there might be frost and hail, and you have to pick when the fruit needs to be picked. You harvest when harvest is required, not when a penalty rate dictates or when some labour commission decides that there is a time when you work and a time when you cannot. In some sectors in horticulture you have to harvest on Sundays to meet domestic and overseas orders. In fact, if you want fresh fruit and vegetables in your supermarkets during the week, someone has to pick and pack that product on a Sunday.

Under this new award there is to be a 200 per cent loading on Sunday work. It is double time but with a minimum of four hours payment no matter how few hours you work. If you work two hours, sorry, you must be paid for four hours and at double rates. Can you imagine the impact this is going to have on the costs to the grower?

There is also the absurdly restricting Monday to Friday, 6 am to 6 pm span of hours for packing house employees. Penalty rates of 150 to 200 per cent must be paid to employees if they work outside that span of hours, even if it is part of their 38-hour ordinary week. You have to pack on a weekend to meet Monday food markets, as I have said, and you work Saturdays, Sundays and in the evenings. It is not a city-centric industry where you can down tools and turn off the lights at 4.30 or 5 pm. It is different in fruit and vegetable growing.

Australian food producers cannot pass on their prices. If the costs of labour go up they cannot say to Coles and Woolworths, ‘We are going to charge you more now for the superb product we are landing on the steps of your warehouses,’ because the duopoly in Australia, as we all know, simply does not work that way. It says, ‘We will import or we will go to more generics, and you can go to the back of the queue as one of our suppliers.’

The fruit and vegetable industry is made up of small, medium and larger enterprises
operating within a range of business models and markets. The environment in which these enterprises operate is highly commercial and extremely competitive. These businesses compete when they export, often against highly subsidised product, but also world-best produced product, and we have been successful and competitive. We cannot compete if the labour costs are pushed up, as is proposed in these awards.

Labour is the most critical factor in ensuring the smooth running of the field preparation, planting, maintenance, harvesting, pruning and packing. Despite advances in technology, the horticultural industry continues to be heavily reliant on manual work and such a workforce is associated with considerable costs and risks. It is one of those ironies where, as you try to produce even more consumption-ready fruit and vegetables where you want the higher price for the higher quality product, you go back to even more manual picking, sorting and packing. So it is not a case of these growers simply reaching for a machine. It is human labour and human capital that makes our fruit and vegetable markets as good and as fine in quality as they are.

From a commercial aspect there is a concentration of the domestic fresh food market within the two major retailers with serious concerns being raised about the duopoly’s increasing market power. The clear trend of these retailers is to use their market power to push costs, risks and responsibilities back down the supply chain to the grower. The grower’s profit margins continue to decrease while the profit margins of the major retailers remain at record highs.

Now we have this labour proposal from the Rudd Labor government, the costs of labour are also going to spiral out of control and to be totally unrealistic in the way that labour is organised during the week and on weekends. This is not just about growers going broke and moving out of the industry. This is about our very food security for this nation. If our fruit and vegetable growers cannot make ends meet, then I must admit there are plenty of alternatives. You can buy frozen peas from China—they are not very edible but you can. You can buy fresh fruit product from a lot of our neighbouring countries and you can certainly find frozen product from all around the world in our supermarkets today.

But I argue—and I think I am joined by most Australians—that we would prefer it if this nation maintained its own food self-sufficiency. It is important for strategic, health, environmental and quality of life issues for us to maintain a capacity to grow our own food. Under these new award casual rates and conditions for horticulture we are seeing casual rates increase from two to 25 per cent. Given the vast majority of employees in the horticultural industry are casual employees, this will result in significant increases in costs for employers which cannot be passed on, which means the end of food growing and marketing for a lot of our Australian horticulturalists. That is extraordinarily bad, and I do not for a minute support what is being proposed nor do horticulture industries in Australia.

To give an example, a Queensland strawberry grower employs 700 people during peak harvest periods. Increases in the casual rates described under these new awards will alone result in an increased wage bill of $92,568 during a three-month period. The changes in classification structures will significantly increase costs. In Western Australia, for example, the change in classifications will result in an increase in casual weekly wages of between $27.36 and $148.58. We just have to wonder what was going on when this particular award was changed without proper consultation, without any detailed
understanding of horticulture in Australia—or perhaps a ‘no care’ response to it. The removal of a true piece rate and its replacement with a base hourly rate supplemented by an incentive payment will devastate employment of various groups who have utilised piece rates in the past. These include grey nomads, backpackers and people who are physically challenged. I have to say the significant regulatory burdens associated with recording hourly rates of employees who were previously pieceworkers is also more red tape than most of our growers, our horticulturalists, can bear. Employers are simply not equipped to undertake this additional regulatory task.

I want to go back to the beginning and say that the Fair Work (Transitional Provisions and Consequential Amendments) Bill and the Fair Work (State Referral and Consequential and Other Amendments) Bill are not about helping this country survive into the future with its own food-producing capacity, nor are they about helping employers survive the downturns which we are now experiencing as the Rudd Labor government lurches through inappropriate responses to a global meltdown. We have a serious problem of unemployment in this country. Sadly, the horticultural industry is going to be severely disadvantaged with these rates and conditions now imposed and I ask this government to rethink what it is currently proposing.

Debate (on motion by Ms McKew) adjourned.

BUSINESS

Rearrangement

Ms McKew (Bennelong—Parliamentary Secretary for Early Childhood Education and Childcare) (1.47 pm)—I move:

That order of the day No. 2, government business, be postponed until a later hour this day.

Question agreed to.

FAIRER PRIVATE HEALTH INSURANCE INCENTIVES BILL 2009

Cognate bills:

FAIRER PRIVATE HEALTH INSURANCE INCENTIVES (MEDICARE LEVY SURCHARGE) BILL 2009

FAIRER PRIVATE HEALTH INSURANCE INCENTIVES (MEDICARE LEVY SURCHARGE—FRINGE BENEFITS) BILL 2009

Second Reading

Debate resumed from 1 June, on motion by Ms Roxon:

That this bill be now read a second time.

upon which Mr Dutton moved by way of amendment:

That all words after “That” be omitted with a view to substituting the following words:

“the House declines to give the Bill a second reading; and calls on the Government to offset the revenue that would have resulted from the enactment of this Bill and the associated bills, the Fairer Private Health Insurance Incentives (Medicare Levy Surcharge) Bill 2009 and Fairer Private Health Insurance Incentives (Medicare Levy Surcharge—Fringe Benefits) Bill 2009, by increasing the excise on tobacco”.

Dr Jensen (Tangney) (1.48 pm)—I rise today on behalf of millions of Australian working families who have been betrayed by this Prime Minister and his government. Indeed, it is on behalf of all Australians who want a viable health care system which effectively combines both public and private sector participation that I speak today. And it is on behalf of all Australians who would like to see politicians compelled to speak the truth that I am obliged to ask today whether members opposite know the meaning of the word ‘promise’. Let us start with that point.

Three times at the last three federal elections the Labor Party made unequivocal promises not to change the tremendously
successful private health insurance rebate system introduced by the Howard government. In three separate campaigns the members opposite gave their word that they would not change this. It took three goes before the electorate was willing to swallow that one, and now they are finally seeing the true value of Labor’s word. In September 2007 the current Minister for Health and Ageing, then shadow health minister, issued a media release saying:

On many occasions for many months, Federal Labor has made it crystal clear that we are committed to retaining all of the existing Private Health Insurance rebates, including the 30 per cent general rebate …

Minister Roxon added:

The Liberals continue to try to scare people into thinking Labor will take away the rebates. This is absolutely untrue.

Yes, you were crystal clear, Minister. You clearly misled the Australian people. We were not trying to scare anyone. We saw through your spin and warned the public that you could not be trusted—and we were right.

But do not worry, Minister. You were not alone. The Prime Minister was feeding Australia the same lie. He even repeated it in February last year, saying:

The private health insurance rebate policy remains unchanged and will remain unchanged.

Not much room for manoeuvre from that one, Prime Minister. Let us not forget the Treasurer, who on the eve of handing down the budget last month said:

… we take our commitments seriously and we have followed through on the commitments that we gave …

So there we have it. The members opposite have for years been telling Australia they would not change the private health insurance rebate system and, with the paint barely dry on their new parking bays after taking government, they are trying to break that promise. Such blatant breaking of promises threatens to give even the notoriously unreliable Labor governments a bad name.

So why are members opposite so set on stripping the rebates from so many of the working families they so assiduously courted in the election campaign—the ones the Prime Minister referred to more than 20 times per speech on occasion—as he laid the foundations for a government of broken promises? You can just see the Prime Minister, the Treasurer and the rest of the champagne-set socialists sitting around ahead of the budget pondering how to polish up the figures given the mess they made of responding to the global financial crisis. ‘Here’s a great idea,’ they said as they swilled their chardonnay. ‘Let’s cut the private health insurance rebate and we’ll make out that it is going to hit rich Liberal types. The battlers will like that. The working families will lap it up.’ Well, they were wrong.

My electorate is full of working families. Nearly three-quarters—74 per cent—of all voters in my electorate of Tangney have private health insurance. The vast majority are not wealthy people; they are hard-working responsible citizens who, through planning and through informed choice, opted to take out private health insurance under the rebate system we implemented. Unlike the Prime Minister, I know these working families well. I deal with them every day as a member of parliament. I live in their community. Our children go to school together. We all do our shopping at the local supermarket. The Prime Minister only seems to have contact with working families when he stumbles across them during his torturous construction site appearances or when he is shouting at them on planes. They are not rich but many are comfortable because they spend very carefully, unlike the government, which seems to disperse cash with reckless abandon.
The rebate scheme made it worth while for them to take up private health insurance. The planned changes will force all to reassess that position and many will find it no longer worth while. The cuts were appealing to the government on the most basic level: slash the rebates and the yawning chasm in the national kitty would be marginally smaller, they thought—or, rather, they did not think.

The government’s own figures show 1.7 million people will face big hikes in health insurance costs and taxes under this plan. Here is what the Minister for Human Services told the Senate:

Around 1.7 million adults, or around 10 per cent of the adult population, with income above the surcharge threshold will be affected by the changes. This is made up of around 1.6 million adults—that is, 630,000 singles and 490,000 families—who will receive a reduced rebate and therefore pay a higher net premium. Around 130,000 adults will be liable for an increased surcharge.

Just to make clear what he is saying, that is 1.6 million people who will have their rebates reduced or eliminated, meaning effective increases in the premiums of up to 42 per cent. And those 130,000 people he referred to would be looking at Medicare levy surcharges rising by up to 50 per cent. Of course, this does not take into account the millions of others who will face higher premiums as more people opt out of the private health insurance system. For everyone who opts out, the remainder will have to pay a bit more.

The government is trying to claim that only 25,000 people would opt out—a number which, like most of their figures, seems to be plucked out of thin air. But there is no need to take my word for it: ask those who are in the front line of health service delivery, the ones who will be left to pick up the pieces if the government wrecks the system by pressing ahead with these proposed changes. ‘The damage that will cause to the public hospital system and to the patients that need care is going to be significant,’ said the outgoing AMA President, Dr Rosanna Capolingua.

Because people will drop out of private health insurance, private health insurance premiums will actually increase. There is an estimate that they will increase about five per cent over and above the five per cent annual increase. So we are talking about a 10 per cent hike in private health insurance premiums for those who want to continue to have the security of private health insurance. For many, that will push them over the edge. Those people are the ones who are the most sensitive and vulnerable: the chronically ill, those who are disabled, the pensioners, the self-funded retirees and the families who save for their private health insurance. Then there are the young people who have chosen to take up private cover and had the incentive of not paying the government tax, the Medicare levy surcharge. They have been supported with the 30 per cent private health insurance rebate. Also, if you are under 30 when you take out your insurance you benefit from the lifelong community rating. On top of that, when you need care and when you need to get to hospital, you can access that care in a timely and clinically appropriate manner. Those people have now had a message from the Treasurer not to keep their private health insurance and, for the younger people coming up, a message not to bother taking it out. They are going to fall into the public sector. The same Treasurer is going to have to pay the states compensation for the extra people who are going to be putting more pressure on our public hospitals.

Across the country we believe that somewhere around 600,000 people at least and up to one million people will drop out of private health insurance cover due to the change in
the Medicare levy surcharge income thresholds. That is the thing now: they will not renew their premiums. At the time of premium renewal or when they are doing their tax they will not bother to take out private health insurance. That is the choice they will make. The fallout will happen over this year. That will cause pressure immediately from young people’s needs in public hospitals—the sporting injuries and young couples making babies will fall into the public hospitals and maternity hospitals looking for care. That will happen instantaneously and will continue over time. The drop-out from private health insurance will push the premiums up. The premiums will become unaffordable for others and they will start to drop out as well, and they are the ones who are more senior or more chronically ill. The burden on the public sector will then be huge. The hospitals are on their knees now. All I can say is that they are going to be flat on their backs.

Mr RUDD—I thank the honourable member for his question, though I note again that every opportunity is used in question time to try and talk the Australian economy down when the government’s strategy is to build the Australian economy up. That is the difference. We have a nation-building strategy for recovery; they have a negative strategy to talk the economy down because they have concluded that it is in their political interest to do so. As is standard practice, the budget does not attempt to forecast future movements in rates. Rates for current government bonds are, on average, around four per cent. This is a standard assumption that has been used for some time and it is the same methodology used under the previous government. Treasury has adopted the long-run average of the 10-year bond rate based on what has prevailed over the past decade, namely, six per cent. That is what we based our projections on in the budget. We stand by the budget papers.

Economy

Ms REA (2.02 pm)—My question is to the Prime Minister. Will the Prime Minister explain why nation building is essential for Australia’s recovery from the worst global recession in 75 years?

Mr RUDD—The word which does not pass the lips of those opposite is the challenge we face because of the global economic recession, one which affects all the economies around the world simultaneously. We had overnight data released from Canada for the March quarter. Canadian real GDP fell by 1.4 per cent in the March quarter. This is the worst quarterly outcome for Canada since 1991. This is also the second consecutive quarterly contraction, confirming that Canada is in a technical recession. That means—and members should focus on this point—that every one of the major advanced economies around the world is now in reces-
Secondly, 24 out of the 30 OECD economies are in recession, and 29 out of the 30 OECD economies have experienced at least one-quarter of negative economic growth.

Our strategy, as the Australian government, is not to stand idly by but to act, to intervene, to step up to the plate while the private sector is in retreat—for the government to make a difference. That is the responsible course of action being pursued by governments around the world. That is why we have invested some $77 billion in stimulus to support the Australian economy now when it needs it. Some $49 billion or about 70 per cent of our nation-building stimulus goes into nation-building infrastructure—rail, road, ports, high-speed broadband, other forms of physical infrastructure; $3.9 billion goes to support business, especially small business through the investment allowance and small business, as the minister advised me earlier today, are responding to this big time; $23 billion goes to providing immediate support to the economy during the darkest period of contraction through direct payments to families, pensioners, carers and others; and $1.6 billion goes to supporting training apprenticeships and employment. This represents an unprecedented response by the government to an unprecedented global economic challenge—the worst economic crisis in 75 years.

Can I say to those opposite that Australia is doing better than most other economies despite the challenge of the global recession, and those opposite constantly have something negative to say about this. We believe it is important to be positive about the Australian economy, positive about our performance relative to the rest of the world, rather than simply advance a negative political critique all the time. Average growth in the OECD—

Mr Hockey interjecting—

Mr Rudd—The great thing about Joe Hockey is that, when he bellows, you know that he is on thin ground. The louder Joe bellows, the thinner the argument is.

Ms Julie Bishop—Mr Speaker, on a point of order: over the past few days, in fact throughout last week, the Prime Minister increasingly adopted this fake familiarity of referring to members by their names and not by their seat. In standing order 64(c)—

The Speaker—The Deputy Leader of the Opposition will resume her seat. The Prime Minister will refer to members by their parliamentary titles.

Mr Rudd—I thank the member for Canning for yet another original intervention in the place, given that originality is her first and strongest suit!

Mr Randall interjecting—

Mr Rudd—I love to see the member for Canning up. Our good friend the member for Canning says here in parliament, ‘Borrow what you need to invest in my electorate,’ but what happens when the actual vote is taken? He votes with the other side. The member for Canning should hang his head in shame.

Mr Pyne interjecting—

The Speaker—The Manager of Opposition Business, on behalf of several people, will withdraw that remark.

Mr Pyne—Which one? There were many.

The Speaker—If there were many, you will withdraw all of them.

Mr Pyne—On behalf of my team, I withdraw ‘nasty nerd’ and ‘bitch’.

The Speaker—The Manager of Opposition Business will withdraw without qualification, as he is required.

Mr Pyne—I withdraw without qualification, Mr Speaker.
Mr Albanese—Mr Speaker, on a point of order: the first time that the Manager of Opposition Business came to the dispatch box was grossly unparliamentary conduct—grossly unparliamentary conduct. It was in defiance of your ruling, Mr Speaker, and I would ask that you take action against him.

The SPEAKER—I have noted the comments of the Leader of the House. The Prime Minister has the call.

Mr Rudd—I thank the member for Sturt again for his intervention! Average growth in the OECD in the December quarter was minus two per cent. In Australia it was negative 0.5 per cent. As we saw yesterday, Australian retail trade has also performed better than most other economies. Australian retail trade figures are now running at 4.8 per cent above those levels from November last year. This contrasts with a 1.1 per cent fall in retail sales across the other major advanced economies. Again, that is a 4.8 per cent increase by us, a 1.1 per cent fall by other economies. That represents the difference in government policy.

Secondly, ABS building approvals data: in April, total building approvals rose by—wait for it, those opposite—5.1 per cent. Now, you would think those opposite would say, ‘That’s good news for the economy; that’s positive out there in terms of pumping the economy up,’ but no. Because it is good news, because it is positive news, they choose to remain silent. Again I would contrast what has happened in Australia relative to other economies. Building approvals are only—

Mr Hockey interjecting—

The SPEAKER—The member for North Sydney!

Mr Rudd—16.1 per cent lower through the year to April in Australia, compared to the latest through-the-year falls of 38.3 per cent in Canada, 50.2 per cent in the United States and 56.6 per cent in New Zealand. What government policy has been initiated by this side of the House to provide support for the building industry? It is called the first home owners boost. And what I can announce today is new data from the Australian Treasury whereby in April we saw the highest take-up so far of the first home owners boost—the highest take-up so far: 18,736 Australians taking up the first home owners boost in April. I assume that gets a ‘hear, hear’ from those opposite?

Mr Hockey—Who’s paying it for it, Kevin?

Mr Rudd—Well, it seems—

The SPEAKER—The member for North Sydney!

Mr Hockey—He asked the question.

Mr Rudd—The first home owners boost, I thought, was one they voted for.

Mr Hockey—Who’s paying for it?

Mr Rudd—Joe is so sloppy. In these measures which were adopted last year—

The SPEAKER—Order! The Prime Minister will refer to members by their titles.

Ms Julie Bishop—Mr Speaker, on a point of order regarding standing order 64: the Prime Minister keeps using this fake familiarity and not referring to members by their seats.

The SPEAKER—The Deputy Leader of the Opposition will resume her seat. The Prime Minister will refer to members by their titles. The House will sit in silence and listen to the response.

Mr Hockey—How are your retail sales from before Christmas?

The SPEAKER—The member for North Sydney is warned! The Prime Minister has the call.

Mr Rudd—Mr Speaker, the member for North Sydney has become notoriously
sloppy about these matters. Do you know why? Because he has just interjected that they have problems with the first home owners boost, but I seem to remember them saying in this parliament, when it was announced last October, that this was the best thing since sliced bread. So, in other words, you say yes at the time and then no later on. This actually points to the absolute opportunism of most things which those opposite are engaged in in this debate about how we restore the Australian economy to growth, given the challenges of the global economic recession.

On the first home owners boost, which is attracting such enthusiasm on the part of those opposite, 78,000 Australians have taken up the boost through to April—78,000 Australians. From each electorate represented in this parliament, 78,000 Australians, mainly young people, are taking it up for the first time. In fact, we got a letter from a man named Jim, from a place called Joslin in South Australia—

**Opposition members interjecting—**

**Mr Rudd**—No, I am just about to quote what Jim from Joslin in South Australia says. It is from your state, Member for Sturt. He says: ‘I am nearly 49 years old and, while I earn a reasonable salary, homeownership was out of the question for many years. Thanks to the government and the doubling of the government’s grant for first home buyers, I am happy to say that I was able to buy the property that I rented for the last nine years.’ There you go. So, as far as this Australian citizen is concerned, he has benefited from an official cut in interest rates of 4½ per cent. Remember, those opposite had 10 interest rate rises in a row. We have had a 4½ per cent interest rate cut. The impact on average mortgages has been significant. Therefore, if you add to that the impact of the first home owners boost, you can see the overall benefit which has been delivered.

To add to the positive joy on the part of those opposite, I would also ask the member for North Sydney to give us his views on the balance of payments data today, because today we welcome positive data on the Australian balance of payments. Today we register a $5.1 billion trade surplus in the March quarter. It is Australia’s largest trade surplus on record. The current account deficit was $4.6 billion, or 1.5 per cent of GDP. We therefore have data today on what is happening in the building sector and we have data which has also been released recently in relation to other sectors of the economy, and what they point to is that this government is seeking to make a difference through its interventions on economic policy. The alternative government can sit back, do nothing, carp from the side, talk the economy down and be negative, or they can be positive and be out there building up the Australian economy. We will have, of course, the national accounts data. The markets are already predicting a negative quarter for Australia when the data is released here tomorrow.

This government is out there doing what it can to make a difference, to try and cushion Australia from the full impact of the global recession, to cushion jobs and small business from its impact, because our nation-building strategy for recovery is this: to support jobs, small business and apprenticeships today by building and investing in the nation-building infrastructure for tomorrow. That is our strategy. It is a positive strategy. I would suggest that those opposite stop their negative talking down of the economy and instead join with a positive program for Australia’s future.

**Economy**

**Mr Turnbull** (2.13 pm)—My question is to the Prime Minister. I refer to my earlier question about the impact of higher
interest rates on the capacity of the government to repay debt, and the Prime Minister’s response that any dissent from, or questioning of, the government’s economic forecasts is ‘talking down the economy’. Given the Prime Minister has said he welcomes a debate on debt and deficit, I ask: does he only welcome a debate in which all participants agree with him?

Mr Rudd—Were that the case I daresay I would not come into this place each day because the debates we have here are along the following lines: a tide of negativity versus positive proposals for the future. That is the debate we are having here. I say to the Leader of the Opposition: why is it on this question of response to the global economic recession those opposite have such a thin veneer of credibility? It is this: those opposite, led by the member for Higgins, who will soon be down the front here leading the opposition—

Mr Turnbull—Mr Speaker, I raise a point of order. The Prime Minister does not even have a thin veneer of relevance.

The Speaker—the question had a very long preamble and the Prime Minister is responding to the question.

Mr Rudd—I stand corrected: it was the member for Hume, the heavyweight champion of New South Wales, sizing up against the lightweight, the member for Aston—

Mr Randall—Mr Speaker, I implore you to enforce the point of order on relevance. This is totally irrelevant to the question asked.

The Speaker—The Prime Minister is responding to the question.

Mr Rudd—The question went to the whole point about conflict in debate and contrasting ideas. I understand there was some of that in the joint party room today as two members physically sized up against each other.

Mr Tuckey—Mr Speaker, I raise a point of order. I think the Prime Minister might lay off the individuals concerned, one in particular, because there are reasons that he would understand. Using his sharp and nasty wit is very unfair to some—

Government members—Oh!

Mr Tuckey—Oh, yes, I am not surprised at the laughter from Albanese. There is another reason—just lay off!

The Speaker—Order! The member for O’Connor has made a point if not a point of order. He has made his point. The Prime Minister has the call.

Mr Rudd—I thank the member for O’Connor for his intervention. The Leader of the Opposition asked before about conflict and different views and how we handle the economy. It is quite plain that there is a division between us. We actually stand for a positive program of nation building for recovery. That is what we are doing. Those opposite are pretending that they do not engage in debt and deficit. That is the actual nature of the dynamic here. We are upfront with the Australian people about what we are doing, how we are doing it and what impact
it is having, recognising the degree of challenge represented by the contraction in the global economy, the worst we have seen in three-quarters of a century. Those opposite are trying to walk both sides of the street. On the one hand they are in here supporting these measures; on the other hand they are out there saying that they do not support the debt and deficit necessary to support these measures—except when you actually pin them down.

When the member for North Sydney famously went out the day after the budget and was asked by Koshy on Channel 7’s Sunrise, ‘Okay, member for North Sydney, what is your deficit target, what is your debt target?’ and the member for North Sydney said in response, ‘$25 billion less.’ Then, the other day, just to make sure there was consistency on the part of those opposite our good friend the member for Warringah in Sydney—I cannot mention members by their first name anymore—said that their deficit target was $21 billion less than the government’s. It was $25 billion less according to the member for North Sydney; according to another member of the front bench, on his online discussion website, by the way, it was $21 billion less. Then the Leader of the Opposition was confronted about this in the debate about debt and deficit recently. When he was asked to name the number, because he had been prosecuting a debate about numbers each day of the week, he said, ‘It’s not a question of the number.’

So those opposite are simply exposed for what they are—absolutely fraudulent on this position. The government’s position on gross debt is around $300 billion. By the admission of the member for North Sydney it is therefore $275 billion of Liberal debt; by the admission of the—

Mr Albanese—That’s the cover!

Mr Pyne—It’s written on the inside of the cover.

Mr Albanese—You idiot!

The SPEAKER—Order! The Manager of Opposition Business will resume his seat. The Leader of the House will withdraw.

Mr Albanese—Absolutely. I withdraw, Mr Speaker.

Mr Pyne—Under standing order 90 the word ‘fraudulence’ suggests an improper motive on the part of members on this side of House and I ask you to ask the Prime Minister to withdraw it. Fraudulence is inappropriate and unparliamentary.

The SPEAKER—the Manager of Opposition Business needs to take the comment that was made in context. The explanation for this in the past has been that some things that are said to us in the thrust of the robust nature of this parliament are said not in a literal sense.

Mr Abbott—Mr Speaker, further to the point of order, if it was unparliamentary to refer to the Prime Minister as ‘Mr Squiggle’ surely it is unparliamentary for the Prime Minister to use that kind of language in reference to the opposition. I appeal to you for fairness and evenness in dealing with both sides of this House.

Mr Albanese—Mr Speaker, that was a reflection on the chair and I ask that the member for Warringah withdraw.

The SPEAKER—I was going to make the observation that it could be perceived as a reflection on the chair; the Leader of the House obviously thought that. But I will let that ride. The member for Warringah knows that in the context of the withdrawal last week I explained that the difference in that case was the fact that the member for Sturt, on just returning, thought that he could go about offering comments like that. I did not
think it was totally by way of a term of endearment. I stand by my comment about the point of order raised by the Manager of Opposition Business. The Prime Minister has the call.

Mr Rudd—Thank you very much, Mr Speaker, because I repeat the proposition that the Liberal Party’s and the National Party’s position on debt and deficit rests entirely on an exercise in fraudulence. It is policy fraudulence. The fraudulence is this: those opposite are saying that they would not engage in deficit and deficit financing. Those opposite, however, have said, when pressed: firstly, that theirs would be $25 billion less than the government’s, which means that you have a Liberal Party policy of a $275 billion gross debt; secondly, if you take the member for Warringah’s proposition, it is $21 billion less, which means that you have a $281 billion debt position on the part of the Liberal Party; and, thirdly, you have the Leader of the Opposition’s position. He says that it is not a question of the number.

Mr Hunt interjecting—

The Speaker—Order! The member for Flinders!

Mr Rudd—Can I say, in response to the bellowing interjections of those opposite, that ultimately the truth outs, in this business, and what you are engaged in is a piece of fraudulence. First of all, what you are saying is that if there were a $210 billion collapse in revenues you would not borrow for that—or would you? In your more honest moments you have said that you would.

The Speaker—The Prime Minister will address his remarks through the chair.

Mr Rudd—Therefore, Mr Speaker, the second question is this: what element of discretionary stimulus would the opposition support? The Liberal Party have said that they would support investment and infrastructure, therefore you are left with a difference of between the total amount which is the subject of deficit and debt, $300 billion, and discretionary payments to individuals—that is, to pensioners, carers and others—which comes to a total figure of around $20 billion, half of which they indicated they supported when the first round of measures was announced at the end of last year: those for pensioners, carers and veterans. If you look at the logic of that it comes down to about $10 billion difference.

Then you look on top of that again. Those opposite constantly say that when it comes to the ultimate difference between us and them it is as if there is an ocean of difference between us, but the reality is that their position, underneath it all, is virtually the same. That is why I go back to the proposition I put before: the opposition’s argument on debt and deficit rests on an exercise in policy and political fraudulence, and they know it.

Furthermore, I say this to the Leader of the Opposition: Australia has the lowest net debt of all the major economies. I say this also to those opposite: subsequent to the budget Standard and Poor’s reaffirmed the government’s AAA rating. Subsequent to the budget, commentators out there in the mainstream community were virtually uniform in their support for the sorts of fiscal and stimulatory measures engaged in by the government, and by the sustainability strategy announced by the Treasurer in the budget papers. This is a government strategy. It is upfront and positive and it says what we are about to do, why we are doing it and the effect it will have, as canvassed in my earlier answer to a question today.

Those opposite, at the end of the day, are seeking to walk two sides of the street. They know what they are doing. They actually, however, have this about them by way of delusion: that the Australian people do not see through it. My advice to the Leader of
the Opposition is that they see right through it and spot fraudulence at a thousand paces.

**Economy**

Ms **SAFFIN** (2.25 pm)—My question is to the Minister for Infrastructure, Transport, Regional Development and Local Government. Will the minister please outline to the House the government’s record investment in road infrastructure on the New South Wales North Coast and how this investment has been received by the community?

Mr **ALBANESE**—I thank the member for Page for her question. On 8 April I was with the member for Page turning the first sod on the Alstonville bypass. This is a $90 million investment supporting up to 140 jobs. It followed what happened last year, when work began on the Ballina bypass—a $446 million project, where 361 Australians are working right now, today. Jobs are being created today in building the infrastructure that will benefit the New South Wales North Coast in the future.

But it is not just in the electorate of Page. This is a government that supports investment in regional Australia regardless of the electorate. In Cowper, just south of Page, the Rudd government is investing a record $1.15 billion on the Pacific Highway—in that electorate alone. This includes the Kempsey bypass, which was announced in the budget—450 direct jobs in Cowper for this $618 million project. It includes $54 million on the Glenugie upgrade. It includes the duplication of the Pacific Highway between Sapphire and Woolgoolga—$460 million.

Now, that is $1.15 billion in one electorate held by the National Party. What did the former government spend on the Pacific Highway in 12 years in office? They spent $1.3 billion on the whole thing in 12 years. We are spending almost that in one electorate held by the National Party as part of our Nation Building Program—as part of our $3.1 billion investment in the Pacific Highway.

I have been asked about how this has been received by the community. It has been received very well. The *Macleay Argus* said: $618 mil for our bypass. It is great news for Kempsey in the federal budget. If you go inside the paper, the headlines included, ‘500 jobs in highway project,’ and outlined the details of what this project of nation building will be on the New South Wales North Coast.

Mrs **Bronwyn Bishop**—Mr Speaker, I rise on a point of order. I refer you to page 164 of the *House of Representatives Practice*, which requires that you as Speaker give an objective interpretation of the standing orders and precedents, and I refer you to the rulings of former Speaker Jenkins Sr in 1983 and in 1985, which said that signs are not permitted. I ask you to follow that eminent Speaker’s ruling.

The **SPEAKER**—I thank the member for Mackellar for her point of order. It is almost akin to a dorothy dix point of order. I think one thing I should indicate is that quite a lot of water has flowed under several bridges since Speaker Jenkins Sr was in control of this place. This place was actually down the hill in Old Parliament House. Parliament was not televised, and certainly a lot of habits have changed. I have relied on the precedents and practice of this place that have developed in the number of decades since, including I might add in the last parliament—the most recent we can go back to—the use of newspapers, graphs and maps at the same dispatch box. I have referred this matter to the Procedure Committee because it seems that people are unclear about the use of articles in this place. In this present parliament, I remember a very creative occupant of the position of the Leader of the Opposition us-
ing alcopops, cans of spaghetti and tomato sauce.

Honourable members interjecting—

The SPEAKER—Order! Hockey Bear might control himself, but I refer to him as the member for North Sydney. There are plenty of precedents which have been allowed but, to clarify this matter, I have written to the Procedure Committee. The minister for infrastructure is in order.

Mr ALBANESE—I am just outlining the reception that our record nation-building investment is getting on the New South Wales North Coast. The local mayor is quoted as saying ‘Let’s work to have town ready’. Another headline: ‘A pleasant surprise for the NRMA’. Another headline: ‘Truckies welcome plan for faster, safer road’. There were four pages on this issue. Another one: ‘State minister delighted by terrific budget result’. And ‘The cracker start and finish date is great news’. Here is what Andrew Stoner, the Leader of the New South Wales National Party said: ‘It’s great that Kempsey is finally getting some attention from government.’ After 12 years of representation from those opposite, the Leader of the National Party in New South Wales says, ‘It’s great that Kempsey is finally getting some attention from government.’ But the member for Cowper, of course, had some things to say as well. The member for Cowper said this: ‘The Kempsey bypass is long overdue.’ During 12 years in government, nothing happens. We come to office, it happens and he says that the Kempsey bypass is long overdue, once again exposing the opportunism of those opposite. They simply do not know what day it is in the coalition party room. They do not know what day it is. The member for Hume thought it was 1 June and he gave the member for Aston a pinch and a punch for the first of the month. They have no idea what day it is.

Mr Tuckey—Mr Speaker, on a point of order: I implored the House a moment ago not to do what the minister is now doing. I remind him that that game can be played on both sides and I will not be doing it.

The SPEAKER—Order! The member for O’Connor will resume his seat. The minister has finished.

Economy

Mr TURNBULL (2.34 pm)—My question is addressed to the Prime Minister. Will the Prime Minister advise the House of the effect of high levels of public debt on real interest rates and why his government’s record $315 billion debt will inevitably lead to higher interest rates on borrowings for all Australians?

Mr RUDD—I thank the honourable member for his question and I use the opportunity of responding to his question to inform the House that at its meeting today the Reserve Bank board decided to leave the cash rate unchanged at three per cent. As the honourable member would know, neither this government nor any of its predecessors predicts future movements in interest rates. That lies within the preserve of the Reserve Bank. Secondly, on the question of bond rates for public debt, I would refer the honourable member to the answer I delivered to his first question in question time today, which went to the basis upon which we projected bond rates in the budget papers.

Building the Education Revolution Program

Mr CRAIG THOMSON (2.35 pm)—My question is to the Minister for Education, the Minister for Employment and Workplace Relations and the Minister for Social Inclusion. Will the minister update the House on how the Building the Education Revolution program is supporting Australian apprentices?
Ms GILLARD—I thank the member for Dobell for his question. I know that he would be supporting the 74 projects in his electorate at a cost of $19.9 million that are a part of the government’s economic stimulus to support jobs today whilst building the infrastructure we need for tomorrow. I am sure the member is very keenly supporting the 54 projects in his electorate under the Building the Education Revolution program, the biggest school modernisation program in the nation’s history. The member, of course, would be aware that the 54 projects in his electorate are part of 15,000 projects that have already been approved across the nation to support our schools. Whilst they are supporting our schools and building the infrastructure we need for tomorrow, they are also supporting apprentices and trainees around the country. The Building the Education Revolution program is designed to support jobs in local communities, including the jobs of apprentices. We know that apprentices can be at risk of unemployment and being left out of trade during an economic downturn. Of course, the global economic recession could have that impact on their employment. That is why, as part of the guidelines for the Building the Education Revolution, the government required that project managers give priority in contracting and tendering arrangements to businesses that have demonstrated a commitment to adding or retaining trainees and apprentices.

We have also worked to create incentives for employers to take on those apprentices who may find that they are out of trade—that is, they have commenced their apprenticeship and are partway through and for whatever reason their employer cannot keep them on to complete their training. Obviously, unless they get another opportunity, their training can go to waste. So Building the Education Revolution has this priority for apprentices and trainees, and then there are incentives available to support employers who take on an out-of-trade apprentice. Most particularly, there is a $145.6 million investment in direct incentives for employers to take on out-of-trade apprentices and a $9.7 million investment to help out-of-trade apprentices and trainees to complete their training through registered training organisations.

Generally, all of this relates to our $3.8 billion investment in the Australian Apprenticeships Incentives Program. So there is support for apprentices through Building the Education Revolution, special incentives for out-of-trade apprentices and our $3.8 billion plan to support apprenticeships through the Australian Apprenticeships Incentives Program.

While the government supports economic stimulus and consequently supports the employment of apprentices, what we have from those opposite is negativity and opposition to the economic stimulus and to Building the Education Revolution. Some days they are opposed entirely, some days they are opposed to it in part and some days they are trying to muscle their way into shots in their electorates so that they can get a run in their local newspapers. The Leader of the Opposition has had many positions on this—almost beyond count. But one of the things the Leader of the Opposition said in March on the Insiders program is—

Mr Pyne—Mr Speaker, I rise on a point of order under standing order 104. I do not believe the Deputy Prime Minister was asked about the opposition’s position. She was asked about the government’s position.

The SPEAKER—The Manager of Opposition Business will resume his seat. The Deputy Prime Minister will relate her comments to the question.

Ms GILLARD—I was asked about supporting Australian apprentices and I am indicating a risk to that support, and a risk to that
support is the stated position of the Leader of the Opposition when he said:
We put up an alternative … Which would have involved spending money on schools but not so much; spending $3 billion instead of $14 billion …

Then in May he said:
Well when we are returned to Government after the next election, we’ve said that we will establish a commission to look at the financial sustainability of the Budget and of all the spending measures.

Mr Pyne—Mr Speaker, on a point of order: if the government wishes to have a question framed that does ask about our position, that is one thing—

The SPEAKER—Order! The Manager of Opposition Business will resume his seat.

Mr Pyne interjecting—

The SPEAKER—The Manager of Opposition Business will resume his seat.

Mr Pyne interjecting—

The SPEAKER—The Manager of Opposition Business will resume his seat! The member for Sturt is warned. The Deputy Prime Minister will relate her response to the question.

Ms GILLARD—On the question of supporting Australian apprentices, the question arises whether the Building the Education Revolution program can continue to support Australian apprentices when the stated position of the Leader of the Opposition is that he does not support it—either totally some days or, other days, part of it. He needs to come clean, project by project, on what he does support and what he opposes. Does he back the $125,000 for Paddington Public School—

The SPEAKER—Order! The Deputy Prime Minister will conclude her answer.

Ms GILLARD—or the $750,000 for the St Charles School? This is all about supporting apprentices.

The SPEAKER—The Deputy Prime Minister will conclude her answer.

Ms GILLARD—Australian apprentices are entitled to know.

Budget

Mr JOHN COBB (2.41 pm)—My question is to the Treasurer. Treasurer, isn’t it the case that within four years the annual interest alone on Labor’s debt will be more than twice the total annual spending on agriculture?

Mr SWAN—It is yet another question from those opposite about the forecasts in the budget, particularly the forecasts relating to debt. We are absolutely unapologetic about the need to borrow to support our economy—to support jobs in our economy, to support businesses in our economy and to support the rural sector as well. Everyone in our economy benefits from the economic stimulus that we have put into the system, and the economic stimulus that shows through, particularly in retail sales, goes right through to the farm gate.

But, of course, those opposite are so desperate to see the economy fail they want to talk it down all of the time. I would have thought that the retail sales figures that came out yesterday would have been welcomed by those opposite. They are very, very good news for the rural sector, because demand has gone up in those areas where people are buying the basics. You only have to look at what was said yesterday by Mr Luscombe from Woolies. He talked about the impact not just in the retail sector but right down the supply chain and the fact that for every worker employed in retail there are many more workers employed down the supply chain, including in the rural sector.


Mr John Cobb—Mr Speaker, I rise on a point of order on relevance. He did finally mention the rural sector a minute ago, but—

The SPEAKER—The member for Calare will resume his seat. On the point of order on relevance, the Treasurer is relating his response to annual interest and agriculture. As I have indicated before, it is not within my power to get a direct answer, and that is something that cannot be expected by the questioner.

Mr SWAN—Indeed this is what Mr Luscombe had to say yesterday:

For every million dollar’s worth of sales, retail sales in Australia support eight full-time jobs in the retail sector alone and another 13 in supplying the retail sector. So clearly you have to give the government a very big tick.

The fiscal stimulus that we are borrowing responsibly for is supporting employment, incomes and businesses, particularly in rural and regional Australia.

Economy

Ms VAMVAKINOU (2.45 pm)—My question is to the Treasurer. Will the Treasurer outline to the House why it is so important that the Reserve Bank and the government have been working together to cushion Australia from the full force of the global recession?

Mr SWAN—I thank the member for Calwell for her question. It is very important that fiscal and monetary policies do work together to stimulate our economy, to support vital employment in the economy, to support the business community and to support the rural community. Indeed it is doing that. We had the statement today from the Reserve Bank that they have decided to keep official interest rates unchanged at three per cent—the lowest in almost 50 years. This follows rate cuts totalling 4.25 per cent since September last year. That has seen the standard variable home mortgage interest rate fall to 5¼ per cent, which is delivering savings of $750 per month to a family with a $300,000 mortgage. Lower interest rates, combined with the government’s stimulus, are helping to cushion Australians from the very worst of the global recession. I will quote from the statement from the Reserve Bank today. The statement said:

Monetary policy has been eased significantly ... Fiscal measures are also providing considerable support for demand.

So monetary policy is working with fiscal policy. Fiscal policy has been put in place in three waves: firstly, to support households; secondly, through shovel-ready investments in infrastructure projects right across the country; and, of course, the third phase was delivered in the budget, which is investing in the longer term nation-building infrastructure that those opposite oppose. As the Reserve Bank statement points out, this is very necessary because of the evidence from the international economy, which is contracting, and has contracted sharply, particularly in the March quarter.

Last night we received further evidence of the impact of this global recession, with Canada reporting that its economy had contracted by a further 1.4 per cent in the March quarter—a very dramatic contraction for that country. This means that something like 19 of the 21 advanced economies have recorded growth outcomes which went backwards in the March quarter. That means that the March quarter was a particularly bad quarter internationally. It demonstrates the very strong case for the economic stimulus put in place by this government: responsible borrowing to support employment, to support Australian businesses and to support Australian families. That is the support that is required now, given the circumstances that have been imposed on this country by the rest of the world. It is absolutely incomprehensible that those opposite could sit in this
House and oppose vital measures that support employment right across the community, that support demand and that support Australian businesses.

**Economy**

**Mrs MARKUS** (2.48 pm)—Treasurer, isn’t it the case that within four years the annual cost of interest alone on Labor’s debt, at $7.6 billion, will be more than the total annual spending on veterans?

**Mr SWAN**—It is the case that the government is borrowing responsibly to support employment in the Australian economy. It is now absolutely the case, and it has been demonstrated time and time again, that every one of those Australians who has been supported in employment are opposed by those opposite. This has been made very clear. Unemployment would have been much higher if it had not been for the responsible course of action this government embarked upon to support employment in the Australian community.

There is some discussion from those opposite about paying off debt. I can tell you one thing: all of those people out there with families are very appreciative of the fact that their families are in employment because we had the common sense to borrow and support employment and business in the Australian community. We have had the capacity to do so more than just about every other advanced economy in the world, and we have taken the responsible course of doing that to protect our communities. We understand the human cost of unemployment. We understand the economic cost of unemployment. We understand the social cost of unemployment.

**Mr Dutton**—Mr Speaker, I raise a point of order that goes to relevance. The Treasurer was asked about the interest bill of this irresponsible borrowing by this government.

**The SPEAKER**—The member for Dickson will resume his seat. The Treasurer will respond to the question.

**Mr SWAN**—I was just explaining the case for responsible borrowing. Of course, those opposite want to pretend that if they were in government now they would not be borrowing for the $210 billion revenue collapse. They would not be borrowing for stimulus. The Leader of the Opposition was asked about this on the *Insiders* program on the weekend.

**Mr Dutton**—Mr Speaker, I again raise a point of order on relevance. On two occasions you have sat the Treasurer down for being irrelevant and for refusing to answer the question. Could you direct him—

**The SPEAKER**—The Treasurer is responding to the question. I will be listening carefully.

**Mr SWAN**—Yes, Mr Speaker, it was a question about borrowing. It was a question about debt, and on the weekend the Leader of the Opposition was asked by Barrie Cassidy to give a precise idea about how much he would borrow. He said, ‘It isn’t possible.’ So the truth is, and we know it now, their debt would not be a cent less than ours and they would not pay it off a day earlier—or perhaps maybe by just a little, because Joe would just go for $25 billion less. This is a farce.

**The SPEAKER**—The Treasurer will bring his response to a conclusion.

**Mr SWAN**—The truth is that those opposite are shameless opportunists who would happily watch Australians lose their jobs if it helped them politically.

**Nation Building and Jobs Plan**

**Ms COLLINS** (2.52 pm)—My question is to the Minister for Sport and Minister for Youth.

**Mr Anthony Smith interjecting**—
The SPEAKER—Order! The member for Franklin will resume her seat. If the member for Casey wants to do some research I can give him an hour outside to do that research. He will not interject.

Ms COLLINS—As I said, my question is for the Minister for Sport and Minister for Youth. Will the minister outline the benefit of the government’s $300 million record investment in community sports infrastructure?

Ms KATE ELLIS—I thank the member for Franklin for her question but also note the support of the member for Franklin for the government’s $4 million investment in the Kingborough Sports Centre, a project which is supporting local sports, is supporting the local community and, importantly, is supporting local jobs. This is just one example, but in response to the question of the member for Franklin I am happy to share with the House some other examples, some good news stories about the benefits of this government’s decisive action—the benefits for sport, the benefits for community and the benefits for jobs.

Opposition members interjecting—

The SPEAKER—The House will come to order!

Ms KATE ELLIS—The over $300 million which this government committed to sports infrastructure in the Nation Building and Jobs Plan has been the largest one-off federal injection into sporting facilities in our history. We know those opposite do not want to hear about it—because they did not want to vote for it—but we on this side of the House are proud that this is the largest single investment in sporting facilities in this nation’s history. It is providing tangible benefits for sports, benefits for communities and benefits for jobs right around the nation.

As examples to back this up, I can point to the $3.6 million for the Tambourine Mountain Sport and Recreation Complex that will be built in the hinterlands of the Gold Coast. I went and visited this site along with the member for Forde. The site is currently a cow paddock. It does not take too much imagination to realise that a huge number of jobs are created in the process of turning a current cow field into a state-of-the-art, multi-sport facility for the local community. These projects are providing real support for jobs right now, when it is needed for the community—but they are doing something else too. They are providing infrastructure that will deliver for our community into the long term. This is true of the $2 million which has been provided for upgraded lighting at the Bellerive Oval in Hobart and which will help to ensure that the oval remains a venue for One Day International and Twenty20 cricket matches—an outcome that is really very important for cricket and really very important for Tasmania. I know that my Tasmanian colleagues are looking forward to Australia taking on the West Indies under lights in their Twenty20 game in February.

Mr Ciobo—Numbers looking better, Julia? Numbers improving?

Ms KATE ELLIS—But it is also true of the $36 million that this government is investing in the Gold Coast Stadium. This will ensure this significant project goes ahead and will support local jobs right across the Gold Coast. And I am not at all shocked to realise the member for Moncrieff is not listening, because the member for Moncrieff did not vote for this project. When you have a look at the data provided by the AFL you will be surprised to know that the member for Moncrieff did not vote for this project, because the data indicates that over a four-year period this project is expected to deliver over 2,200 full-time equivalent jobs each year and generate $415 million of economic activity.

But of course this is also very important for the long term for the Gold Coast, because
we know that it will provide a home and a presence for the AFL on the Gold Coast on an ongoing basis and will also mean that the Gold Coast will be able to host significant sporting events in their upgraded stadium. So on this side of the House we are very proud to support this infrastructure, and we support it here in the parliament as well as out there in the communities. This investment in infrastructure is very good news for Australian sport, but it is also very good news for Australian communities and, importantly, for Australian jobs.

Economy

Mr HOCKEY (2.57 pm)—My question is to the Treasurer. I refer the Treasurer to the statement by Glenn Stevens, Governor of the Reserve Bank of Australia, on monetary policy today, where he states, ‘Credit remains tight.’ Treasurer, how does it assist business to access credit if the government is borrowing $315 billion?

Mr SWAN—Yet another question from the shadow Treasurer, who simply does not understand what is happening in the economy. The problem we have in the economy is an absence of demand, and the federal government is moving in to actually stimulate demand. So the problems in credit flow do not have anything to do at all with the government’s current borrowing program.

Mr Hockey—Talk about the affordability of it.

The SPEAKER—The member for North Sydney has asked his question.

Mr SWAN—It is a bit rich for this to come from those opposite, who opposed the bank guarantee, particularly the wholesale funding guarantee, which has probably done more than any other measure to put confidence into our system and which has stabilised the Australian economy. We have been very active to ensure that credit flows as freely as it possibly can, given what is going on internationally. The Australian government has been very active. For the shadow Treasurer to get up and somehow argue that borrowing is being crowded out by the federal government’s actions in borrowing to support demand is a nonsense.

Economy

Mr CHAMPION (2.59 pm)—My question is to the Prime Minister. Can the Prime Minister update the House on developments at General Motors Holden and the importance of automotive policy to the Australian economy?

Mr RUDD—I thank the honourable member for his question. Again I would commend to those opposite some good news for the Australian economy in the midst of a global economic recession, and it goes to statements today by the CEO of Holden Australia concerning the future of the company in this country. This is important for Australia. It is important for manufacturing in Australia. Today I met with the Holden CEO, Mark Reuss, and he had already had earlier discussions with the industry minister, Senator Carr. The CEO of Holden has advised that Holden’s operations will be unchanged by announcements in the United States by General Motors. Specifically, he has advised that Holden will be part of the new GM. He has advised that Holden will not be included in the US filing under chapter 11. He advised that there will be no direct impact on local design, engineering and manufacturing operations. He advised that technology improvements to the Commodore and the introduction of the second car line remain on track. He advised there will be no changes to Holden employees and supplier payment arrangements and he advised there will be no changes to Holden dealer and warranty arrangements. I would say this is good news for the Australian economy—good news at a time when we have seen such an assault on
the automobile industry worldwide as a direct product of the global economic recession.

We cannot underestimate the significance of developments in the United States in the auto industry. General Motors’ decision to file for chapter 11 bankruptcy is a powerful symbol of the challenges now facing the global economy. This is the single largest industrial bankruptcy in US history. The actions of the Obama administration to support the industry are unprecedented. But Holden here in Australia has not been caught up in these US developments. Holden is considered an A-list asset in the General Motors group. It is in contrast to speculation in Australia that this would directly wipe away Australian motor vehicle manufacturing, particularly through General Motors Holden. Holden has forged its path through difficult circumstances, and the company’s leadership and its employees have worked together to achieve this. They have also done so in direct partnership with the Australian government.

The Australian government last year, in the midst of great criticism on the part of those opposite, launched a $6.2 billion new Green Car Plan providing certainty for the sector right out for 2020. This was government acting ahead of the curve. This was government acting at a time—

Opposition members interjecting—

Mr RUDD—I take it those opposite are still opposed to this plan. South Australian members? Member for Sturt? Is he opposed to this plan? He remains silent. Can I say to all South Australia members that I would suggest they consider long and hard whether they support this vital piece of industry policy and industry plan because it goes directly to jobs in South Australia and jobs for the auto sector more broadly across the country.

As well, in December last year, I was pleased to visit Holden’s Elizabeth plant in Adelaide to announce a $149 million investment from the Commonwealth government’s innovation fund for the green car. This will be used for the production of a new four-cylinder small car here in Australia. Holden produces 100,000 cars a year, exports cars to all continents and employs over 6,000 Australians. Those 6,000 jobs are important jobs. They are like the jobs in the retail sector that the government is supporting by other policy means. They are like the jobs in the housing and construction sector that the government is supporting by other policy means. It is something of which this government is proud. We have been out there in partnership with industry. Australia is one of only 15 countries in the world that can produce a car from scratch. That is why we have been in there, with our sleeves rolled up, working with industry when it counted to provide confidence for the industry at a time of unprecedented downturn. All those opposite can do is scoff, be negative, talk the economy down, talk the industry down, talk manufacturing down. I would suggest those opposite should change their tone.

In conclusion, let me quote Mark Reuss, the CEO and Chairman of GM Holden, who said today, in an extract from his press conference with the Senator Carr:

As an American and in Australia and watching this from afar I have worked in quite a few different places around the world and I, speaking on behalf of GM, have to say that we are absolutely fortunate to have a government that actually cares about manufacturing.

He went on to say:

Manufacturing things in an economy that is very, very robust compared with the rest of the world right now.

Good news again. Those opposite bury themselves in their papers. He goes on to say the following:

If you look at the other countries where auto makers are having problems, there are cash bail-
outs, there’s transfers of ownership, there’s all sorts of things happening at the very last minute. I feel like our partnership with the government here in Australia as an industry and as Holden—

**Opposition members interjecting—**

**Mr RUDD**—Those opposite are still objecting to this positive news for the Australian economy, always talking the economy down. He says about General Motors Holden:

I feel like our partnership with the Australian government here in Australia as an industry and as Holden has been like studying for an exam and we have now passed the exam to be part of the new GM for the future.

Had the government not taken the decision last year to put forward a $6.2 billion new car plan for Australia, where GM was an active partner with the government in that plan, it is quite plain that the industry’s future would be considerably uncertain. We have this great statement from the CEO of Holden Australia today. It is something of which the government is proud and I would ask all members of the House to express their support for the future of this auto industry in Australia.

**Mr Kevin Harkins**

**Mrs BRONWYN BISHOP** (3.05 pm)—My question is to the Prime Minister. I refer the Prime Minister to media reports that Kevin Harkins, the Tasmanian unionist who stood down as the Labor candidate in 2007 following community concern about illegal activity, has kept his political dream alive since then and is set to gain a safe seat on the Labor Senate ticket. Given that, as opposition leader, your office negotiated Mr Harkins’s resignation, is your office now acting to guarantee Mr Harkins a career return?

**Mr RUDD**—Given Mr Harkins’s career as a well-known pugilist, I thought his career would lie in the party opposite rather than in our party, given what has happened in the joint party room today. Can I just say to those opposite—

**Mr Dutton**—He’s a union crook; he’s better off on your side!

**Mr RUDD**—Can I just say to those opposite that, as far as Mr Harkins is concerned, from my point of view there are two chances of him entering the Senate on our part: Buckley’s and none.

**International Students**

**Mr DANBY** (3.07 pm)—My question is to the Minister for Foreign Affairs. Could the foreign minister tell us what the government is doing about the recent disgraceful attacks on Indian students in Australia?

**Mr STEPHEN SMITH**—I thank the member for his question. Australia takes very seriously its reputation as a safe destination for international students and yesterday in the House the Prime Minister spoke on behalf of, I think, all members and all Australians in deploiring and condemning the recent outrageous attacks on young Indians studying or working in Australia. The government again condemns all attacks of this sort, whoever is the target. More than 90,000 Indian students in Australia are welcome guests to our country as are the more than 200,000 Australians of Indian descent, who are welcome members of the Australian community, making a substantial contribution to it. On Friday last week I spoke to my counterpart, External Affairs Minister Krishna, both to congratulate him on his appointment but also to assure him of the seriousness with which the Australian government is addressing these issues. Australia’s High Commissioner in New Delhi, John McCarthy, has also made the Australian government’s resolve to tackle this issue well known to the Indian authorities.

The government is working closely with state governments to ensure that the perpetrators of these crimes are brought to justice.
and that relevant government agencies are responding to these crimes to protect all students and others in the Australian community. The National Security Adviser, Mr Duncan Lewis, is today chairing the first meeting of a new task force to coordinate the Australian government’s response. The task force will include senior officials from the Department of Foreign Affairs and Trade, the Department of Education, Employment and Workplace Relations, the Department of Immigration and Citizenship and the Attorney-General’s Department. Through this task force the Australian government is showing its resolve to play its part in collaboration with the states to respond to this very serious issue. The Deputy Prime Minister and Minister for Education announced on 28 May that international student representatives would be invited to a roundtable to discuss issues affecting their study experience including accommodation, safety and welfare. The Deputy Prime Minister will convene this roundtable in the near future.

Can I also inform the House of the response to this matter by our state colleagues in Victoria. Earlier today I spoke to Premier John Brumby, who shares these concerns, has been strong in his condemnation of these terrible attacks and quick with practical action to meet them. Premier Brumby announced on 28 May that he would look to implement the remaining recommendations of the Victorian government task force on international students commissioned last year. The Victorian government has today committed to amending sentencing guidelines in Victoria to make violence specifically targeted against individuals on the basis of their race, religion, sexuality, age or disability an aggravating factor in recognition of the wider adverse social impact that so-called hate crimes can cause. Victoria Police has established a community reference group to facilitate communication on safety issues with the Indian community in Victoria. The community reference group has established a 1800 number to provide support, information and advice to Indian students who are victims of crime. The hotline is staffed by volunteers who are fluent in English and Hindi and the volunteers have received training from Victoria Police. The Victoria Police multicultural liaison officer will travel to India later this month to discuss student safety issues.

This issue requires a response across the range of governments, state and Commonwealth, and across the range of government agencies. Australia again sends the message to the Indian people that Australia is serious about ensuring the safety of Indian students as we are serious about ensuring the safety of all visitors to our country. Our resolve is reflected not just by our condemnation of recent attacks against Indian students but by our practical action in conjunction with the states and the Indian community in Australia.

**Building the Education Revolution Program**

Mr RAMSEY (3.11 pm)—My question is to the Minister for Education. I refer the minister to the $2 million grant allocated to the Cleve Area School through the so-called Building the Education Revolution. The school was hopeful of building a new primary school. In March the school was expecting eight classrooms for $2 million, in April six classrooms and in May four classrooms. They have now been told their grant will purchase what is described as a collection of transportable classrooms with decking. Is the minister aware that between state government bureaucracy and building contractors the inflation rate for contracts, under the so-called Building the Education Revolution, is 100 per cent per month, somewhere between the inflation rates of Ethiopia and Zimbabwe?
Ms GILLARD—I thank the member for his question. To answer this question very clearly, I think he would understand that, with 15,000 projects already agreed to, I do not know off the top of my head the details of every individual project out of 15,000 projects. But I take it that he has asked the question seriously and on that basis I am very happy to work with him directly as to the circumstances of this school. On the question of the guidelines and on-costs—for the member’s information and for members in the House who are concerned about this matter—the Building the Education Revolution guidelines are crystal clear. The administrative costs of states and territories in delivering the program are confined to 1.5 per cent and the project costs of those who are actually out delivering the building projects are confined to four per cent, so 1.5 per cent and then four per cent. Those are the guidelines available on the website for any member to check. If the member is concerned that something is happening in his local community that does not acquit those guidelines, then we would certainly work with him, because the point of view of the federal government is that this program will be delivered within the guidelines. We are working around the country with states and territories and with block grant authorities to ensure that is delivered. Can I say more generally, on the question of Building the Education Revolution, we are always happy to work with local members of parliament who become apprised of problems. But the essential issue here remains that this side of the House voted for $14.7 billion to be invested in schools and in supporting local jobs and the member who asked the question did not.

Trade

Mr GEORGANAS (3.14 pm)—My question is to the Minister for Trade. Can the minister inform the House of Australia’s recent trade performance and the results of today’s release of the balance of payments for the March quarter?

Mr CREAN—I thank the member for Hindmarsh for his question. I know full well the great interest he takes in the export industries. In fact, we were meeting on Friday in Adelaide with successful recipients of the Export Market Development Grants Scheme—a scheme which those on that side of the House promised to make easier and then failed to fund and which we, in the last budget, ensured would enable the full payment under the EMDG from the sclerotic mess that those opposite left this scheme in.

I can, and am very pleased to, talk about the success of Australia’s recent trade performance because it has been one of the very effective cushions enabling Australia to weather the global financial crisis far better than others. World trade has not been a cause of the global financial crisis but it certainly has been impacted by it. There have been all sorts of projections—most recently, that this year will see a drop in trade of 11 per cent.

Australia, on the other hand, has continued to put in an important and strong trade performance. We have posted eight consecutive monthly trade surpluses. The balance of payments figures that were published today for the March quarter show that the current account deficit fell by $1.7 billion to $4.6 billion in the March quarter—the lowest quarterly current account deficit since December of 2001. This represents the equivalent of 1½ per cent of the December quarter GDP compared to 2.1 per cent previously. Goods and services export volumes increased by 2.7 per cent and net exports are expected to have contributed 2.2 percentage points to GDP growth in the March quarter of 2009.

Net foreign debt—something we never heard the other side talk about—fell by three per cent to $674 billion. We hear the other
side of the House talk about debt. They were the ones that had the debt truck before the change of government in 1996. Do you remember the debt truck that was parked outside the front of Parliament House? And this was a government that promised to reduce the foreign debt. The point is: they doubled it. They turned that debt truck into a B-double and parked it in the driveway of every Australian household in this country. It took a Labor government, on coming to office, to understand the importance of net exports to our GDP and to make constructive efforts to advance it.

These are significant figures. Another important thing to understand in these balance of payments figures is that the balance on trade in services turned around from a deficit of $191 million to a surplus of $448 million. Goods and services export volumes rose by 2.7 per cent—a very strong performance given the global environment.

It was not until we came to office that we really highlighted the importance of focusing on services exports. The problem in this parliament is that, while ever trade defaults to the National Party under a coalition government, the focus of trade will only be on agriculture—and essentially broadacre agriculture at that.

The fact is: we need a diversified approach to trade. Of course we have to improve market access for our agriculture but we have to concentrate as well on elaborately transformed manufactures, on services and on investment. It was not until this government came to power that we have built that comprehensiveness into the approach to trade policy and it is beginning to show important dividends. It is important that we keep the task up.

**Building the Education Revolution Program**

Mr PYNE (3.19 pm)—My question is to the Deputy Prime Minister. I refer the Deputy Prime Minister to her answer to the question from the member for Grey. What advice has the minister received from her department that details how the Australian taxpayer will prevent the states and private contractors from profiteering from the so-called Building the Education Revolution?

Ms GILLARD—I will answer the member’s question fairly simply. The Building the Education Revolution guidelines are there for all to see. The administrative costs and the project costs are as I have described. Block grant authorities and schools are taking different approaches to tendering arrangements, which is what you would expect—

Mr Anthony Smith—Mr Speaker, I raise a point of order on relevance. This is a specific question about what advice the minister had received—

The SPEAKER—the member for Casey will resume his seat. The Deputy Prime Minister is responding to the question.

Ms GILLARD—I was asked about the potential for ‘rip-offs’, as the member styled it, and I am answering that question. The guidelines are clear. The distribution to schools is clear. Under the Primary Schools for the 21st Century program and the National School Pride Program, that is correlated to school size. The science and language laboratory program is a competitive bid program. Different schools are under different systems, obviously—block grant authorities, states and territories taking a different approach to tendering arrangements—

The SPEAKER—the member for Casey will resume his seat. The Deputy Prime Minister is responding to the question.
Ms Gillard—Some schools are tendering locally. Some block grant authorities and states are tendering through more centralised arrangements. We will obviously be working with them—

Mr Anthony Smith—Mr Speaker, I raise a point of order on relevance. The question was about advice, not guidelines—what advice the minister has received—

The Speaker—The member for Casey will resume his seat. I am listening to the Deputy Prime Minister. The Deputy Prime Minister is responding to the question.

Ms Gillard—Obviously, in making tendering arrangements, we will be working with states and territories to help them get value for money.

Can I say that we need to remember that the context in which this is occurring is a global financial crisis. We know that the construction industry is being severely impacted by that global financial crisis. Consequently, because of that economic impact, in communities right around the country there is spare construction capacity, and without this economic stimulus the people working in those construction companies would become unemployed. I know that the member who asked the question and the member who is vying for him to be shadow minister for education might be unconcerned about that, because they voted against this program, but this government is concerned with delivering economic stimulus around the country, value-for-money projects that will make a difference to education infrastructure in this country through the biggest school modernisation program the country has ever seen, and support for jobs.

Alcopops

Ms Rishworth (3.23 pm)—My question is to the Minister for Health and Ageing. Will the minister update the House on the government’s action on alcopops and any recent developments in supporting or opposing the measure?

Ms Roxon—I thank the member for Kingston for her question, because I know that she has been following closely the action the government has been taking to tackle binge drinking. Of course, the government has taken a number of decisive and concrete steps in tackling binge drinking, including encouraging Australians to lead a healthier lifestyle, and an important part of that strategy is closing the alcopops tax loophole.

After 12 months of irresponsible and opportunistic obstruction, I did hold out just a glimmer of hope that maybe today the Liberal Party would finally come to a decision on whether it was going to support this alcopops measure or not. I thought that the party room might have been dealing with this issue. Obviously there has been a lot of speculation from the frontbench and from the leader, and I thought that there might have even been a gradual awakening from the Leader of the Opposition that, if 80 per cent of Australians think that binge drinking is a problem, maybe he should not be the last man standing opposing the measures that we are taking to tackle alcohol abuse. But, unfortunately, today the Liberal Party failed again to finally take a position.

Mr Pyne—Mr Speaker, I rise on a point of order. Previous Speakers have ruled it out of order for ministers to comment on matters outside their responsibility, particularly matters in the opposition party’s party rooms or matters to do with other political parties. This is not within the minister’s areas of responsibility.

The Speaker—The question related to alcopops and recent developments on support for and opposition to the government’s actions. The minister is responding to the question.
Ms ROXON—I am responding to the question, because in particular I was asked the question of whether there were any recent developments in supporting or opposing the action that the government is taking. The problem is, of course, the Liberal Party now are doing both of those things—supporting and opposing this measure. You have the shadow minister for health, who has always been implacably opposed to this measure, who has been in the pockets of the distillers. He has happily outsourced his policy making to the distilling industry.

The SPEAKER—Order! The member for Dickson will resume his seat. The minister will withdraw.

Ms ROXON—I withdraw. The shadow minister has, every time that we have debated this measure in the House, walked straight out the door and straight to talk to Mr Broderick to find out if he has followed his instructions properly or not.

What we have seen after the budget is a number of people in the Liberal Party understanding that not only is this an effective health measure, and perhaps it is silly to be standing in the way of it, but also in these global financial circumstances it might not be so bright to be standing in the way of a sensible health measure that has a budgetary impact. So there were some indications from the Leader of the Opposition and from a number of others that maybe there was an opportunity to change this. But we have seen Mr Dutton, the shadow minister, out there, still arguing to the death that this should not be supported.

Then we saw a slight change; they were buying a little bit of time. We heard some speculation in the media that the opposition wanted to see the details of what we were doing. They were pretending, it seems, that they needed more information before they could try and sort out what they were going to do. What I want to know is what it actually is that the Liberal Party is waiting for. This legislation was introduced five months ago, in February this year. Prior to that it was the subject of a Senate inquiry. Then there was a second Senate inquiry. It was debated and voted upon in the Senate on 18 March. We announced on 15 April that the government would reintroduce that same legislation. And then what happened? We still had the member for Dickson saying he wants a little bit more information—he just wants to see the legislation. I do not know why he needs to look at it yet again, but he needs to have a look at it again. In May, we offered the member for Dickson another briefing on the same legislation. It is entertaining but embarrassingly wrong, because it is the same legislation that has been introduced.

Mr Dutton—Well, show it to us!

Ms ROXON—We have been showing it to them for five months but still the member for Dickson cannot make up his mind what he wants to do, because he is getting instructions from outside the parliament. He does not want to change his mind, along with the Leader of the Opposition. They do not want to do something sensible so they are still pretending that they need more information. But I am not sure what more we can possibly give them.

Ultimately, we cannot solve their internal problems. If they go to their party room meeting and come out again with no decision, all we gather from that is that they are impossibly divided on this and every other issue. But now is the time to stop ignoring the 80 per cent of the public who want action taken and to stop ignoring that this measure is working: a 35 per cent drop in alcopops, an eight per cent drop in overall spirits and a half a per cent drop in all consumption of alcohol. It is time to clarify where you stand and it is time for the backbench to decide
whether they are going to support the Leader of the Opposition or the member for Dickson.

Mr Rudd—Mr Speaker, on that note I ask that further questions be placed on the Notice Paper.

QUESTIONS WITHOUT NOTICE: ADDITIONAL INFORMATION

Economy

Mrs Markus (Greenway) (3.30 pm)—Mr Speaker, I seek your indulgence.

The Speaker—The member for Greenway on indulgence.

Mrs Markus—I misspoke my question earlier. I wish to make it clear that I was referring to welfare assistance for veterans and their dependants.

AUDITOR-GENERAL’S REPORTS

Report No. 40 of 2008-09

The Speaker (3.30 pm)—I present the Auditor-General’s Audit report No. 40 of 2008-09 entitled Performance audit—Planning and allocating aged care places and capital grants: Department of Health and Ageing.

Ordered that the report be made a parliamentary paper.

BUSINESS

Rearrangement

Mr Albanese (Grayndler—Leader of the House) (3.31 pm)—by leave—I move:

That for the sitting tomorrow, Wednesday, 3 June 2009:

(1) standing order 31 (automatic adjournment of the House) and standing order 33 (limit on business after 10 p.m.) be suspended; and

(2) from 7.30 p.m. any division on a question called for in the House, other than a motion moved by a Minister, shall stand deferred until the next sitting.

I will speak to the motion briefly. For the benefit of members, the intention is that after the MPI debate there will be the summing up by the minister on the workplace relations legislation that is before the House. That will then be voted on by the House. We will then resume debate on the health insurance legislation. That will be voted on by the House. Then debate will begin on the CPRS legislation. The CPRS legislation debate will recommence tomorrow morning. It is my view, as Leader of the House, and I understand it is the view of the Manager of Opposition Business, that it would be in the interests of the House if people restricted their comments to less than the allocated 20 minutes so that we could maximise the number of speakers on the legislation.

Mr Windsor interjecting—

Mr Albanese—Parliament will sit late tomorrow night, Member for New England, so that people will have the opportunity to speak and contribute to the debate. However, if 60 speakers speak for 20 minutes then I think the staff of the parliament will be here all night. It is the intention of the government to have the vote on that legislation on Thursday morning. Every attempt is being made to give appropriate advance notice to members as a courtesy to all members. I thank the Manager of Opposition Business for his cooperation, which I think is in the interests of the orderly conduct of the affairs of this House. That is the reason for the motion that has been put forward.

Mr Pyne (Sturt—Manager of Opposition Business) (3.34 pm)—Just briefly: the Leader of the House has outlined a program that will ensure that the majority of members of the parliament who wish to speak will get to do so. We on our side of the House have grave concerns about the bills that will be voted on this week—the fair work bills, the fairer private health insurance incentive bills and the Carbon Pollution Reduction Scheme bills. We on our side of the House would like
the opportunity to speak to those bills and to vote on those bills, so we are prepared to cooperate with the government. Adding hours yesterday morning, this morning, tonight and tomorrow night will ensure that democracy is well served by members being able to give the speeches that they had hoped to give—albeit in some instances for less than the full 20 minutes. Of course, if the member for New England, as an Independent member, wishes to delay the House for a full 20 minutes he is entirely entitled to do so. But we on this side of the House are quite prepared to ensure that every member of the House gets an opportunity to speak.

In speaking to this motion, I would point out that it is only because of the failure of the government to schedule correctly the bills to be debated and passed this year that we have been placed in this position. This is about the failure of the government, of whoever is running the business for the government, in putting these very substantive bills on the Notice Paper for debate this week. We know they can force them to be passed. We know they can apply the guillotine and gag the debate on these bills and deny us the opportunity to speak to these bills, and we want the opportunity to do so. But I do place on record our deep concern. When we were in government, this did not happen. We are in this position—and members of the Labor Party should understand this—because the Leader of the House has failed to correctly schedule the bills for debate in the chamber.

Question agreed to.

MATTERS OF PUBLIC IMPORTANCE

Rural and Regional Australia: Education

The SPEAKER—I have received a letter from the honourable member for Lyne proposing that a definite matter of public importance be submitted to the House for discussion, namely:

The need to close the education gap for regional and rural Australia.

I call upon those members who approve of the proposed discussion to rise in their places.

More than the number of members required by the standing orders having risen in their places—

Mr OAKESHOTT (Lyne) (3.37 pm)—I thank the majority of members from both sides of the House. As an Independent, I am certainly flattered by the support. Hopefully, it demonstrates the importance of the issue before the House of closing the education gap for regional and rural Australia. This issue is not only about education but also about social inclusion, probably the most important social inclusion issue at a public policy level we can address. From the perspective of regional members—and I know many members in this chamber share a similar view—we certainly do enjoy the language of the education revolution that we have heard in the last 12 to 18 months. We are certainly engaged in the process of reform, whether it is post Bradley or post budget. There are many good aspects and a few difficult aspects that we continue to work through with the government. However, on the sheer statistics of education in regional and rural areas compared to metropolitan areas, it is without question that we need not only the education revolution but also an education intervention within Australia today.

The statistics for the Lyne electorate show that the proportion of people aged 20 to 24 years who have completed year 12 is 47 per cent—one in two on the most recent statistics—compared to the statewide average of two in three or 66 per cent. That is a significant difference in completion rates for year 12, which this House needs to consider and address. It would be the same in most re-
regional and rural electorates throughout Australia. Likewise, the proportion of people with a degree or higher level qualification in the electorate of Lyne is 17 per cent, or one in six, compared with the New South Wales statewide average of 30 per cent, or one in three. Again, I think that would be a similar statistic shared throughout regional and rural areas when compared to their metropolitan counterparts.

We can go through the education statistics to drive home the point that there needs to be an education intervention in rural and regional areas, whether it is the proportion of people holding a certificate level qualification or diploma, where the number is higher in regional and rural areas, whether it is the proportion of workers classified as ‘professionals’, where the number is significantly lower in the Lyne electorate compared with the state, or whether it is the proportion of workers classified as ‘labourers’ being slightly higher. The point of the comparison of those three statistics is that there is a direct relationship between education levels and education status and a range of other factors at play in regional and rural areas, whether it is low-income levels or the status of poverty in regional areas. On the North Coast, the four electorates are all in the top 10 poverty regions of Australia. So there is a direct link between the length of stay in education and the aspirations of the community and, as a consequence, the full range of the needs and wants of the community.

So the problem not only concerns the Lyne electorate but is one shared right throughout regional and rural New South Wales and Australia. The problem has been talked about at length by many and clearly identified, I would hope, in the minds of many. The reason I wanted to propose this MPI and to engage this chamber in this debate is not so much to repeat the problems but to start to consider some of the answers that we can work through. I mentioned the Bradley review before and the post-budget environment, and I think this is potentially a very exciting time for education in a regional area such as ours. Some of the issues that have been picked up through the Bradley review are certainly welcome: the increase in the parental income test, the change to the independence age and the new start-up scholarship—which I just wish was named something that identified it as an annual scholarship rather than seeming to identify it as a one-off. However, that funding is certainly welcome. The relocation scholarship is welcome, the personal income test threshold changes are welcome, income support for masters coursework programs in 2012 is welcome, and the relaxation of means-testing of equity and merit based scholarships provided by universities and philanthropic organisations is certainly welcome. All those changes are necessary and are talking to regional and rural Australia.

The Minister for Education has been engaged in discussions with the member for New England, many other members of this place and me on some aspects of the post-budget environment. The gap year for students already on the pathway to try to qualify for independence under the youth allowance is one matter that I do hope, in good faith, the executive reconsiders in buying six months or 12 months as a compromise position. It is a horrible first lesson in civics for many 18-year-olds, particularly from rural and regional Australia. I certainly hope, in good faith, that the government reconsiders its position on that issue and does not, as part of the process of reform, accept collateral damage. If that one issue alone can be addressed, the overall package starts to look a lot rosier in the eyes of many and particularly starts to address some of the fundamental underlying questions that we face in rural and regional areas.
There has been discussion on the detail of the relocation allowance. There was a very good article in the *Australian* newspaper—and I note that the member for Kennedy has also raised this with the minister—on the non-means-testing of the relocation allowance so that it becomes more targeted as an access payment for rural and regional students. I ask, as part of two potential answers to improving the reform package, for Treasury modelling to be done on both of those considerations. They will make a difference in the lives, the choices and the pathways of many rural and regional students or potential students in the future.

I also wanted to raise some other issues for the government’s consideration and to identify the importance attached to some previous announcements about, and hopefully delivery of, programs for areas such as the mid-North Coast of New South Wales. Without doubt, if the language with regard to broadband is fair dinkum and the delivery is within that eight-year time frame, we really will start to seriously see the gap closed in the delivery of services such as education. A need for an Australia-wide communications network that makes education equally accessible to regional and rural students is a no-brainer. It would certainly change the game of the delivery of education and the choices of entering education. It would change it in the minds of many in the area that I represent.

In this place it is easy to forget, in a practical sense, what life is like in many regional and rural areas. In this chamber and in this House, it is a very quick process to turn on your computer and to access any website anywhere you want in the world. Think of people such as year 10 students from Camden Haven High School who are still on dial-up. Think of the challenges that they face in a knowledge economy and trying to keep pace with students in communities such as where we all are now, discussing this issue. It is inequitable; it is unfair that in a nation that prides itself on its egalitarian spirit we have such a stark difference in the ability to compete in the knowledge economy. Not only do I know of many people still on dial-up; the associated frustration of the dropouts that go with it have many people in regional and rural Australia not engaging in the use of the internet to access information. So the broadband announcement is vitally important and hopefully is delivered upon and will make a difference.

I also want to put on the record some broader themes that are not talked about in the cut and thrust of an adversarial parliament. Some of these are the questions of the fundamentals that underpin completing education, in particular higher level qualifications. Some of the issues are around identity—and this is where it does become a social inclusion question rather than an education one. I would hope that the government and the executive really consider some of those identity questions. Too often I see in households within my community that replication of themes: ‘My parents didn’t study, so I won’t,’ ‘I’m not smart enough,’ ‘We can’t afford it’ and so on. I really hope that the government, with its social inclusion hat on, starts to address some of those questions of identity in the regional and rural areas, as well as those aspirational questions. Holding higher education qualifications in a high regard is probably not as significant in many of the homes in regional and rural areas as it is in some of the metropolitan areas or, I might suggest, for some of our Asian neighbours. This is something that we need to address as a nation and for government to address during its consideration. There are also the blunter considerations of the options and the pathways that can be provided to rural and regional students. The issues of access are fundamental to many people and that is why
the changes to youth allowance have got under so many people’s skin in regional and rural areas. It is seen as a direct attack on what is already a difficult pathway choice in trying to access and stay in higher education. So those general themes are ones that I hope government will consider.

As part of that, I would also ask the government to consider bottom-up thinking rather than top-down thinking. In principle, eight of the government’s own social inclusion policies name the silo thinking of government and the inflexibilities that go with it as barriers to addressing social inclusion. As a community, we have a proposal before the government called ‘Learning in place’. It has been generated from the bottom up. It is a holistic view of a community wanting to help itself. We are waiting on a response from the government, but there is frustration in our community that the response so far from various departments is ‘DEEWR can fund this bit; FaHCSIA can fund this bit’—no-one is looking at the holistic view of the overall needs of our community. We have done the hard work on the ground. It is a bottom-up response; it is meeting the full needs of our community. Yes, there are some creative elements to it, but we really need a government response to appreciate that silo thinking sometimes clouds the decision making in this chamber and of government generally.

Attached to that is the issue of the short-term, one-off thinking that comes from here and the difficulties that go with that with regard to addressing long-term structural disadvantage, which is the issue being addressed here today. We need government to be shoulder to shoulder for the long term and commit to at least three- to five-year programs if we are talking about some serious structural reform in regional and rural areas. At the moment it is frustrating that it does not happen as much as we would like. Again, I hope the government considers that.

Finally, a positive consideration is the change in thinking about the cost, the market place, the contestability issues. The delivery of education in regional and rural areas does have greater costs—(Time expired)

Ms Kate Ellis (Adelaide—Minister for Youth and Minister for Sport) (3.52 pm)—I begin by thanking the member for Lyne for raising this very important matter but also for his contribution to the debate so far and his continued advocacy for the people that he represents as well as for our education system. I know that he is genuinely interested in education and I want to reassure him and the good folk of Lyne that the government’s efforts to support students in rural and regional areas will continue.

I also want to acknowledge a couple of points he brought up, particularly the broadband announcement. It is a very significant issue when we are talking about the education of young Australians. It is also very significant when we are talking about the opportunities which are available to those in regional Australia, and it is significant when we are talking about not just the education opportunities of regional young people but also the opportunities through health and the opportunities through communication, through bringing people together, to note that this broadband announcement is hugely significant for education but, beyond that, for building the nation.

I recognised that particular concerns have been raised both in this discussion already and also in the community more broadly around some of the recent announcements on youth allowance. I want to assure the House that I will come to these but, before we get onto the specifics of youth allowance, this is a much more general matter of public importance as it is about the education gap for rural and regional Australia more broadly. I want to assure the House that we are a gov-
government that believes in education for all. We believe that investing in education, in raising the educational opportunities for all Australians, is the pathway towards building a smarter, a better and a fairer nation. But we also recognise that students in rural and regional areas and their families do have specific needs, and there are barriers to their effective participation in education—particularly barriers to their effective participation in higher education, which is why as a government we provide a range of education investments which are specifically for rural and regional Australia. I want to take a few moments to go through some of these before we come in more detail to the recent debate about youth allowance.

We offer a range of different supports, including drought related support, including general income support, including student income support and including funding for schools. We offer assistance to farming communities and financial incentives to employers in regions which have been affected by drought. I note the member for Kennedy’s presence in the chamber today, although he has not had too much experience with drought problems recently. We also offer programs which are targeted at rural and remote schools and students, and other assistance to rural and regional students at school through the national education initiatives. As part of this debate, I want to talk about the contribution that the Building the Education Revolution initiatives and the huge modernisation of schools right across Australia are making to schools in regional Australia. The Drought Assistance for Schools initiative is part of a $715 million package of drought assistance for farmers, small businesses and communities in rural and remote Australia. It is a program that makes it easier for rural families to meet ongoing education expenses and the cost of educational activities such as excursions which may be prohibitive for families experiencing financial hardship as a result of drought.

In 2007-08 nearly $23 million was delivered to 3,030 schools in rural and remote locations across Australia. A further $23.9 million is available in 2008-09, and the program has been extended until 30 June 2010. Another program, the Assistance for Isolated Children Scheme, supports eligible primary, secondary and tertiary students who are unable to attend an appropriate government school because of their geographic location. It provides financial assistance to families to meet the cost of boarding and other expenses for their children. Another program, the Country Areas Program, is designed to help schools and remote communities improve educational opportunities and outcomes for students who are disadvantaged because of their geographical location.

In the area of training, the declared drought area incentive is designed to encourage primary producers who hold an exceptional circumstances certificate to continue to offer skills development and job opportunities to people living in a drought declared area. The Rural and Regional Skills Shortage Incentive program provides a special commencement incentive for rural or regional employers who employ an apprentice or trainee in an area of skill shortage. So a significant number of programs have been put in place with the very purpose of closing the gap and giving students the opportunity for a quality education, a world-class education, no matter what part of our country they may come from. We saw in the member for Lyne’s own electorate a number of projects which have been funded through the Building the Education Revolution program which I know have been warmly welcomed by both the member and the local community. The government has been very proud to announce those projects. I note also through the trades training program that nearly $3 mil-
A million of funding has been awarded to the Taree High School to work with the Chatham High School and the Wingham High School in a project to refurbish and equip existing hospitality facilities—something that is really important and something this government is very proud to be able to invest in.

We have seen since the budget quite a lot of attention and debate, and in regional areas I think it is only fair to say some controversy, around the recent changes to youth allowance. I fully appreciate that the member for Lyne is particularly concerned about the impact of student income support changes and what that might mean for students within the electorate that he represents. I know he is quite genuine in his concern over some of these issues. I want to start by getting the facts on the record. It is important that we recognise that not every student across Australia gets youth allowance. That is the system. What we need to do is have in place a system where we determine who does get youth allowance and who does not get this income support, a system that is transparent and a system where we can all be confident, and taxpayers can be confident, that the taxpayer dollar is being awarded in the most appropriate way.

That is why we believe the changes announced in the budget are so significant. Under the government’s reforms to be introduced from 1 January 2010, 100,000 students, including many from regional areas, are expected to get more youth allowance or to become eligible to receive youth allowance for the very first time. Under these reforms, we will be able to provide this additional support to thousands of Australian students and their families by retargeting the current system to assist those most in need. The reality is that under the existing system, which was implemented by the previous Liberal government, youth allowance is being paid to students whose household incomes are right up the income scale—$150,000, $200,000 and $300,000. These students are living at home in the city whilst attending university and their parents’ income is of that magnitude. We on this side quite proudly say that we want to see the money going to those who need it most. That is why we accepted the recommendations of the Bradley review—to ensure that student income support is received by those who need it most.

Before they saw the chance to run a misleading and untrue scare campaign, the opposition in fact said that they supported the changes. Amongst all the criticism and scaremongering which we have heard since the budget and all the work that members—and I will get to the member for Gippsland in a minute—are doing in their own communities, it is quite easy to forget the comments by the member for Sturt on 25 March. He said about these changes:

If the Government is serious about reform, then come Budget time we should see some consideration given to reforms suggested by Bradley in student income support—to ensure that sufficient support is going to those who need it.

That is what the member for Sturt said before the opposition saw the opportunity for this scare campaign. That is, of course, what we have delivered in the budget, but now many of those within the Liberal and National parties are running around and telling their communities only half of the story. So it is very important that we use this opportunity to set the record straight. The fact is that 100,000 students will miss out on more payments or miss out on higher payments to help support them attend university if these changes are not accepted. As I said, not everybody is entitled to youth allowance, so we need to make sure that it is directed fairly. What tighter targeting means is that we can afford to pay 150,000 students a student start-up scholarship, which is worth $2,254,
each and every year to help them with their study costs. That is equivalent to an additional $87 a fortnight on top of the youth allowance that they already receive. Tighter targeting also means that we can afford to pay a relocation scholarship of $4,000 in the first year and $1,000 in later years to students, particularly from regional and rural areas, who have the opportunity to relocate.

Mr John Cobb interjecting—

Ms KATE ELLIS—I notice that those opposite interject. Let’s consider for a moment what they do not talk about in their communities when they go around scaring potential university students by saying, ‘The government are ripping this away from you; you won’t be entitled.’ What they do not say is that the government is in fact substantially increasing the parental income test, which means that many of these students will now be entitled to youth allowance without ever having to prove their independence, subject themselves to the work test or take a gap year because, as a result of the changes to the parental income test, they will now be entitled to youth allowance.

I will give an example of how significant some of these changes are. Obviously there are taper rates and there are different circumstances depending on the number of students living at home and on the different incomes—

Mr Chester interjecting—

The DEPUTY SPEAKER (Ms AE Burke)—The member for Gippsland!

Ms KATE ELLIS—but this is an example of how it has changed. Under the previous system, if you had two children who were aged 19 and 23 and living away from home, the cut-off rate for them receiving any youth allowance was $79,117. Under the new system this has been increased to $139,388. This means that a lot of these young Australians who, because of the dishonest campaign that has been run by those opposite, have been scared into thinking that they will not be entitled to youth allowance will in fact be entitled under the changes to the parental income test—something that members opposite are not telling them.

On this side of the House, we are happy to have a debate, but we want to make sure that young Australians out there are getting the facts. Before they believe the scare campaigns of those opposite, I encourage all of those students who might be listening to this debate this afternoon—and I am sure there are young Australians right around the nation with their ears glued to the radio—to ring the hotline that has been set up.

Mr Chester—Guarantee they won’t be worse off!

The DEPUTY SPEAKER—The member for Gippsland is warned!

Ms KATE ELLIS—Ring 132490 and find out for yourself whether you are entitled to youth allowance.

I had the opportunity on the weekend to head down to the member for Gippsland’s electorate, where I spent the weekend in Sale. The member for Gippsland had been running a campaign and had got himself some front-page media scaring the local community about changes to youth allowance—and then, I might add, was unavailable to front up and attend a forum to actually talk to young Australians about the changes and put the facts to them directly. But I spoke to them and I can tell the House that a lot of those young Australians who were terrified by the member for Gippsland’s campaign will be better off. And it is not just young Australians in Sale; over 100,000 young Australians will be better off as a result of these changes, which make the distribution of youth allowance fairer and the system more transparent.
I know we will continue to debate this and many other issues, but the member for Lyne is quite right: it is crucial to ensure that students in regional Australia have every opportunity for a quality education in this country. That is something that we believe all young Australians—and, indeed, all Australians—should have the opportunity to receive. The government are very proud that we have been investing in education on such a major scale. (Time expired)

Mr WINDSOR (New England) (4.07 pm)—I am pleased to speak to this matter of public importance. I thank the member for Lyne for bringing it into the parliament. I appreciate what the Minister for Youth has just said. This is a very important debate. Essentially it is about legislation which is before the parliament at the moment, and particularly relates to access to youth allowance, whether that be through the parental income test or through the work test to prove independence. The government has initiated a number of changes in relation to how youth allowance can be accessed.

The Minister for Youth made some important points a moment ago because there are some good points in the changes. Some students will receive more in youth allowance than they did before, not only in relation to the relocation scholarships but also in relation to the start-up arrangements, the $2,254 that will be available to anybody. Whether it be through the work test or parental income assessment, they will be able to access that money. Even students whose family’s income is, say, $90,000 will be receiving a very small amount of youth allowance, probably $6 a fortnight. Their family will be able to access the $4,000 relocation scholarship in the first year, $1,000 in the second year and also the start-up arrangements of $2,254. For that particular family, with one student living away from home, there will be access to some moneys. If there are two students, one in first year and living away from home in a country environment, they could access only a small proportion of the youth allowance up to $1,390, I think it is. It would still trigger the mechanisms of the scholarship arrangements.

There are some anomalies in relation to this. I speak today for a number of members who are not able to speak. The member for Gippsland—who may well have been running a campaign in his own electorate—has highlighted the gap year, a very significant issue. For students who left school last year, who did so in good faith, believing that earning $19,600 during the year would allow them to access youth allowance, the rules have changed. The student will have to work 30 hours a week for 18 months in a two-year period. Essentially, that means that students who were embarked on that process under the old rules, and in good faith, will now have to miss university for two years in many cases. As the minister said, some of them may be able to access youth allowance through the parental income test; many will not.

Given that there are savings of $1.8 billion to the budget bottom line from these changes, there is room to move in relation to those kids who are locked into the gap year event. I urge the government to look at this more closely. As the member for Lyne said, this is a dreadful introduction to civics for students who left school last year, assuming that, if they obeyed the rules, they would be able to access youth allowance through an independence test. They suddenly find the rules have changed.

The Minister for Education—I thank one of her staffers, Jim Round, for coming to me on a number of occasions to talk through the mathematics of this issue—has used the phrase ‘social inclusion’ time and time again. If we are serious about social inclusion, we
have to make sure that young people do not miss out on youth allowance because of a retrospective policy change. It is time that the government reviewed this particular policy. Another member who is unable to speak is the member for Ryan. The people of Ryan have mentioned great concern as to the outcome of this debate. We are all very well aware of the member for Ryan’s concern for the people in his electorate as we have seen it on many occasions.

Another issue I would like to address is the structural components within this particular change of policy. I thank Senator Hanson-Young for her initiatives in the Senate in relation to this. I am told there will probably be a Senate inquiry into this policy. I suggest the government look much closer—once we have the Treasury modelling which has achieved the $1.8 billion in savings—at the structural gap which still exists. If I were able to tell you exactly where it exists, I would, but I think the modelling will show it up. Country students who do not have the choice of attending a university in their town will have to travel away to access university. In many cases they will now have to leave home, to go to another town, to work for 30 hours a week for 18 months so that they can say that they are independent of their parents, and that makes a mockery of it. There is not going to be an opportunity in country towns for a lot of those students to find what essentially is full-time work for an 18-month period. There is a structural fault in this policy change which really needs to be examined when the Senate committee looks at the way in which Treasury came up with the numbers.

There may be a way where this could be fairly close to if not revenue neutral to Treasury. There is a distinct difference between country people who have no choice, with no university in their town, and those who live in Armidale, for instance, who have access to the University of New England. They should be treated differently from a young person who comes from a community like Walgett, which has no university. That young person has to physically leave a community where it is highly unlikely that they will get 30 hours work a week, where there are major unemployment issues, where it is highly unlikely that they would be able to achieve the independence allowance.

The last thing I would say in terms of this government is that I do not believe they want to restrict people from gaining an education. I think they do want to encourage it and a lot of their other policies, including some of the education revolution policies, are sending positive signals to young people and communities, whether they be in the country or in the city. But this particular piece of policy sends two direct arrows through the hearts of country children: the capacity to work to 30 hours a week in a full-time job in a town where there is no employment. How do we handle that structurally? We send them away so they can work for two years so that they can come home to go to university? Those sorts of things really have to be looked at. I think the integrity of a Senate inquiry may well pick up some of those issues.

I would also congratulate schools in my electorate who are particularly upset about the gap-year issue. They see it as one of real inequity. The McCarthy Catholic College community—the students and their families et cetera—are part of a petition that I put before the parliament earlier in the week. I would hope that the minister and the Prime Minister would have a very close look at this.

In relation to the politics of this, there have been a lot of people from the coalition who have rightly argued the points that the member for Lyne raised, I know the member for Kennedy will raise and other country
members have raised—and even privately raised from the government side. This will be a test as to where they stand when this particular piece of legislation does get before the Senate. It is one where we have to work out the structural problems and then make a definitive vote in relation to supporting those country students who are going to miss out through not being eligible for the parental income test and not being able to acquire youth allowance because of the lack of work in their particular jurisdictions. I thank the House.

Ms LIVERMORE (Capricornia) (4.17 pm)—It is thanks to the member for Lyne that we are here today talking about the need to close the education gap for rural and regional Australia. Clearly all the speakers here would agree, and our colleagues with us here in the chamber would agree, that equitable and accessible education is important for all Australians, no matter where they are from or what their socioeconomic background is. The government knows that people from regional and remote areas are underrepresented in higher education, just as we know that Indigenous people are vastly underrepresented. We understand that attending university is more complicated for our regional students than it is for metropolitan students. After all, for uni students in Brisbane, getting to university might be as simple as 15 minutes riding on a train. But for students in Claremont it could mean a five-hour drive to Rockhampton.

The Bradley review of higher education has already told us that there is a need for a more innovative, sustainable and responsive model of tertiary education provision in regional areas to respond to rapidly changing local needs. Rural areas have lower population numbers and cannot capture the same economies of scale as those enjoyed by cities. In responding to the Bradley review, the education minister has set some ambitious yet achievable targets for tertiary education in the future. She has also set out a plan for ensuring the strength of our regional universities.

The Rudd government supports diversity in higher education and is committed to assisting universities to develop their distinctive missions. We announced in the budget, therefore, a $5.7 billion program over four years to improve higher education, which is in direct response to the Bradley and Cutler reviews. These reforms include a move to a student centred system underpinned by a national regulatory and quality agency, which will enable an extra 50,000 new students to commence a degree by 2013; substantial resources to promote equity and performance funding tied to quality; a landmark increase to university indexation; a phased move to addressing the gap in funding for the indirect costs of research; major reform to student income support—as we are discussing today—to better support our most needy students and an increase in postgraduate stipends; importantly, major investment in higher education research and VET infrastructure through the Education Investment Fund totalling $3 billion; and additional recurrent funding of $2.1 billion over the forward estimates for higher education, teaching, learning and research.

We are seeking to raise the education level here in Australia and recognise that there are barriers to be overcome to achieve that goal. For instance, only 32 per cent of young Australians have been to university here in Australia compared to targets of 50 per cent in the UK and Sweden. As I said, the minister has committed to the aspirational target of having 40 per cent of all 25- to 34-year-olds attain a higher education qualification by 2025, and I applaud the minister for setting that bold target. We know that this means a focus on regional areas and low-socioeconomic backgrounds, as well as our
cities. Higher education reform is a key element of our education revolution. As the minister has already outlined, the Bradley review will make a valuable contribution to the preparation of the government’s higher education policy agenda for the decades ahead.

As the federal member for a regional electorate, I can say that the government is committed to providing high standards of education for those people living in rural and regional areas. Our budget of three weeks ago is already instigating major changes and improvements to the education sector and it contains substantial measures that I believe will close the education gap between rural and regional Australia and metropolitan Australia.

There has been much media in recent times and a lot of comments from the opposition and my colleagues on the crossbenches here that we have supposedly delivered a cruel blow to prospective students in rural areas and that we are slashing the number of youth allowance recipients. This is not the case.

Mr Windsor interjecting—

Ms LIVERMORE—To be fair to the member for New England, I can see his point that it is not a question of slashing youth allowance recipients but it is a question of the transition. I believe that reforms will provide better and more equitable support for students and families, including those in rural and regional areas. The reforms come in direct response to the findings in the Bradley review. We have improved the parental income test, meaning more students will be eligible, because a student’s parents can earn more before their child starts to lose that eligibility for student income support.

I turn to the detail of the reforms in the budget. The reforms will benefit around 100,000 students: 68,000 students will now be eligible to receive support as a result of the changes to the parental income test and 35,000 students will receive a higher payment than they have previously received. The Bradley review found that current income support arrangements were poorly targeted, with not all support going to those most in need. It found that 36 per cent of independent students living at home were from families with incomes above $100,000, 18 per cent of students in this situation came from families earning incomes above $150,000 and 10 per cent came from families earning above $200,000. The government has accepted the recommendations of the Bradley review and has decided to take this decision to ensure that student income support is received by those who need it the most. The workforce participation criteria will be tightened and the savings will be invested in increasing access to income support for students who need it the most by increasing that parental income test. This means more support for more students.

There are also specific benefits in the budget for rural students. Rural students in receipt of youth allowance still have access to the higher away-from-home rate of payment as well as rent assistance, remote area allowance, fares allowance for up to two return trips home per year and other benefits such as the low-income healthcare card and pharmaceutical allowance. Rural students will also be eligible for the full value of the student start-up scholarship, which is worth $2,254 per year if those students receive some amount of student income support. This is equivalent to a $43 per week increase in the rate of youth allowance for those students. To assist thousands of university students with the costs of relocating to study, the government has introduced the relocation scholarship of $4,000 in the first year and $1,000 in later years. This will be on top of the student start-up scholarship, meaning that
students who receive this will receive $6,254 in the first year and $3,254 in subsequent years. These figures will be indexed. There are significant amounts of money in those scholarships alone. Those are things that I welcome as a representative of students who travel away from Central Queensland to undertake education elsewhere.

I turn away for a moment from student income support and look more broadly at the priority that this government has given to education at all levels—primary, secondary, VET and higher education. We are seeking to provide a better education system for students right across the country, at whichever stage of education and wherever they live. That includes schools and students in all of our regions. For example, hundreds of new computers are being rolled out in my electorate, along with trades training centres and a raft of new school buildings that will come thanks to our stimulus strategy. The Rudd government is investing a record $62.1 billion in Australian schools from 2009 to 2012. This is almost double the $33.5 billion invested in the last four years on funding and infrastructure. As part of the government’s education revolution, this record investment will help ensure that every Australian school is a great school and every Australian child receives a world-class education. In addition, through national partnerships agreed with state and territory governments, the government is investing $540 million to improve literacy and numeracy, with pilot projects already beginning in schools around the country; $550 million for reforms to improve teacher quality, including a $50 million investment in leadership development for principals; and $1.1 billion over five years for disadvantaged school communities.

In addition to these initiatives, the government is investing in the biggest school modernisation program the nation has ever seen, with a further $14.7 billion boost to the education revolution over the next three financial years through the Building the Education Revolution program. There are two other programs. One is the Digital Education Revolution. Innovation will be central to securing Australia’s competitive advantage in the future. The $2 billion Digital Education Revolution program includes funding of $807 million to school authorities to cover the associated costs of implementing the computers in schools initiative. This means that school students will experience a technology-rich learning environment which will prepare them for the technology-rich work environments of the future. There is also the Trade Training Centres in Schools program. I am pleased to say that already two of these have been approved in my electorate. We are working to raise the status.

Mr KATTER (Kennedy) (4.27 pm)—This issue is very real to me. It probably cost my parents about $1 million by the time the three of us were educated through tertiary education. The difference between my brother, who had four kids and lived in Brisbane, and me, who had five kids and lived in Cloncurry-Charters Towers, was that he had a university in Brisbane and I did not. I must say, we did not find the money; my kids had to borrow the money through the borrowing arrangements. Four kids by four years by $10,000 a year is $150,000. So there is a $200,000 difference between a family who lives in Brisbane and wants to have their children educated and a family who lives in Charters Towers and wants to have their children educated. You would say there is a cost at home. Hold on a minute: the home is free, for starters, if you live in Brisbane; and, of course, your mother cooks the meals in the main, so you do not have the cost of cooking. My experience at university was that most of the people had to buy take-away meals, twice a day anyway. So there is a huge cost difference between a person who
lives in a city where there is a university and a person who does not.

That results in a huge difference in the number of people in tertiary education. I represent pretty close to 200,000 Australians in my electorate and about 40,000 of those are in the very remote areas. Those remote and very remote areas have eight per cent of males completing tertiary education while metropolitan areas have 27 per cent, and the figures are 18 per cent versus 33 per cent for females. So where metropolitan areas have an average figure of 30 per cent completing tertiary education, we have an average figure of 12 per cent completing tertiary education. That is one hell of a gap. I say to the minister that when you go ahead with something it is hard to check out every single thing, but we ask the minister to look again at this.

Through you, Mr Deputy Speaker, I say to the minister: there has been a huge hole created here that people will fall through. There is a yawning gap now, and I might add that even for 12th grade there is a gap: 35 per cent in very remote areas—and a quarter of my electorate would probably fit into that category—versus an average of 68 per cent in the metropolitan areas. How can you justify this gap?

Also, remember, the government does not have to pay for us because we are not going there—because we cannot afford to. So you do not have to pay anything for us, but the city kid gets something because he has got the opportunity and he takes advantage of the opportunity. We say, ‘You can get it so long as your kids go and work for a year and a half.’ So my children could have got it so long as they went and worked for a year and a half, which one of my five children did in fact do. If you are in the country areas, you have to take a year and a half out of your life, working for no other purpose than to be eligible to go to university; if you are in the city, you do not lose that year and a half out of your life. So we plead with the minister: please, Minister, will you look at the hole that has been created here. There is now a hole that was not there before, so would you please address this issue and try to close the gap. We are closing the gap for Aboriginal people as far as death rates go. If you do not have a secondary or tertiary education, then you have most doors closed to you in life. So doors are closed for us that are not closed for people who live in the city. There is a huge yawning gap here. Minister, as a responsible minister, it sure would be nice if you tuned in here instead of listening to the opposition—(Time expired)

Mr HALE (Solomon) (4.32 pm)—I rise today to make my contribution to this matter of public importance debate. I would also like to take this opportunity to thank the hardworking member for Lyne for raising this significant issue for discussion. I note the contribution of all speakers, in particular the Minister for Sport and Minister for Youth and I note her ongoing commitment to education as well as her detailed summary of the changes to the youth allowance.

By way of background, education is a subject that has always been and continues to be very close to my heart. Both my parents are teachers and my sister is a teacher as well. Collectively, they have a combined teaching experience of over 80 years. Much of this teaching experience has been gained in the Territory, where there is a great wealth of knowledge particularly in remote Indigenous education. Education and closing the gap between Indigenous and non-Indigenous are two issues that I am absolutely passionate about.

I will just quickly focus on Indigenous education, because Indigenous kids make up the greater proportion of school kids in regional Territory areas. In 2006 the gap in years 3, 5 and 7 reading, writing and nu-
meracy national benchmark testing results of Indigenous and non-Indigenous students was somewhere between 13 and 32 per cent. Our government has acknowledged that more needs to be done to accelerate the pace of change if we are to achieve the challenging targets of halving the gaps in literacy and numeracy achievement, halving the gaps in attaining year 12 or equivalent and halving the gaps in employment outcomes for Indigenous Australians. The government is working with government and non-government education and training providers to achieve these targets. We are establishing national collaborative arrangements that will assist us to work collectively towards these targets. However, the Commonwealth must maintain an ability to provide national leadership and perspectives to close the gaps.

That is why we on this side of the House are proud to support the Building the Education Revolution initiatives. Over 6,000 families in Darwin and Palmerston received a back-to-school bonus of $950 to help with the costs of kids returning to school. Over 2,000 students and people looking for work in Solomon received the training and learning bonus of $950 to support their study costs. Every one of our 41 hardworking primary schools is receiving capital funding provided for essential new buildings and upgrades worth over $30 million. We are continuing our election commitments such as providing funding for an additional 200 teachers in the Northern Territory. Together, we also aim to see every Indigenous four-year-old in remote communities have the opportunity to access an early learning program. Our government is reducing the red tape to improve flexibility for education providers to focus on education outcomes, particularly for Indigenous Australians in regional and remote areas.

Our government acknowledges the difficulties faced by rural and regional families because of the extra costs of moving away from home to study or to train. Key elements of the government’s response to the Bradley review of higher education will ensure that student income support payments are better targeted to those students who need them most, including regional and rural students.

During the election campaign Labor made it clear that Australia needs nothing less than an education revolution. So what is this? What is an education revolution? It is a substantial and sustained increase in the quantity of our investment and the quality of education for all Australian youth. This is required at every level of education, from early childhood education through to the education of mature age students. Education is the platform for our economic future. Our prosperity rests on what we commit to education now. One thing I have learned from Mum and Dad is this: education is not something that you just go through the motions with.

The DEPUTY SPEAKER (Hon. BC Scott)—Order! The time allotted for this discussion has now expired.

FAIR WORK (TRANSITIONAL PROVISIONS AND CONSEQUENTIAL AMENDMENTS) BILL 2009

Cognate bill:

FAIR WORK (STATE REFERRAL AND CONSEQUENTIAL AND OTHER AMENDMENTS) BILL 2009

Second Reading

Debate resumed.

Ms GILLARD (Lalor—Minister for Education, Minister for Employment and Workplace Relations and Minister for Social Inclusion) (4.37 pm)—in reply—I thank the member for Solomon for that erudite contribution and I am sorry that the business of the House has had to intervene on its further delivery. At the 2007 election Labor promised to get rid of Work Choices and to create a
new fair and balanced workplace relations system. The Fair Work Act 2009, which received royal assent on 7 April, delivers on that promise. The two bills being debated cognately today provide for the sensible and measured transition of employers and employees into the new system. The new workplace relations system created by the act starts from 1 July 2009 and will be fully operational by 1 January 2010. Obviously, given those commencement dates, the passage of this legislation is time critical.

The new system will balance the needs of employees and employers. This balance reflects an unprecedented degree of consultation by this government with employee and employer representatives as well as with state and territory governments. Representatives from these groups provided valuable feedback at meetings of the committee on industrial legislation which examined the two bills before us today as well as having examined the Fair Work Act itself. At all stages in developing and drafting the new framework we have responded to legitimate issues and concerns raised by all sides. No side got everything it wanted but the result of our consultation and approach is that we have succeeded in balancing fairness and flexibility to ensure that Australia will be competitive and prosperous without compromising workplace rights and guaranteed minimum standards. When introducing the then Fair Work Bill 2008 into this House on 25 November 2008, I indicated that the government would introduce separate legislation to set out transitional and consequential changes to ensure a smooth, simple and fair transition to the new system while providing for certainty in employment arrangements. These transitional and consequential changes are provided for in these two bills now under consideration. The Fair Work (Transitional Provisions and Consequential Amendments) Bill 2009 was introduced into this House on 19 March 2009. The Fair Work (State Refer- ral and Consequential and Other Amendments) Bill 2009 was introduced on 27 May. The two bills, once enacted by the parliament, will operate with the Fair Work Act and will transition employees and employers into the new workplace relations system simply and fairly.

Let me remind the House now of their key provisions. The Fair Work (Transitional Provisions and Consequential Amendments) Bill 2009 repeals the current Workplace Relations Act 1996 other than schedule 1, which deals with registered organisations, and schedule 10, which deals with transitional registered organisations. The Workplace Relations Act will then be renamed the Fair Work (Registered Organisations) Act 2009. The bill provides for the application of the 10 National Employment Standards and minimum wages to all national system employees from 1 January 2010, including those covered by instruments made before the commencement of the new system. The bill ensures that employees’ take-home pay is not reduced as a result of any transition to a modern award from 1 January 2010. The bill sets out rules in relation to the treatment of existing industrial instruments in the new system and includes arrangements to enable bargaining under the new system to commence in an orderly way. The bill includes arrangements for the transfer of assets, functions and proceedings from the Workplace Relations Act institutions to Fair Work Australia and the Fair Work Ombudsman. The bill also includes consequential amendments to create the fair work divisions of the Federal Court of Australia and the Federal Magistrates Court of Australia.

On 19 March 2009 the Senate referred the Fair Work (Transitional Provisions and Consequential Amendments) Bill to its Education, Employment and Workplace Relations Committee, which reported back on 7 May.
The government carefully considered the Senate committee’s report as well as the detailed submissions and, as a result, it will now move a number of technical amendments to improve the bill. These include amendments ensuring special low-paid bargaining determinations are accessible to workplaces that no longer have an operating collective agreement, providing the other criteria are satisfied; amendments preserving the interaction between transitional instruments and state and territory laws; technical amendments ensuring that the transitional arrangements in place for outworkers protect their existing terms and conditions and that outworker unions can properly enforce outworker entitlements; and amendments ensuring registered employee and employer organisations are able to represent their members in the fair work divisions of the Federal Court and the Federal Magistrates Court. Our intention, through the consultations and through the Senate committee, was to seek views in order to improve the bill, and those amendments have come forward and are represented by the things I have just described.

I now turn to the other bill, the Fair Work (State Referral and Consequential and Other Amendments) Bill 2009. This bill marks the next step in the creation of the national workplace relations system for the private sector, which is a key commitment of this government. This bill amends the Fair Work Act to enable states to refer matters to the Commonwealth with a view to establishing a uniform national workplace relations system for the private sector. The bill makes transitional and consequential amendments to 67 Commonwealth acts which refer to parts of the Workplace Relations Act that will be repealed by the transitional provisions and consequential amendments bill—and my thanks go to the draftspeople for their care and attention to all of those details. This bill replaces those references with references to corresponding concepts, institutions and instruments in the Fair Work Act.

Together these two bills now before the House represent the final batch of legislation needed to complete the statutory framework for Australia’s new workplace relations system. With the repeal of the Workplace Relations Act as a result of these measures, we will see the final removal of the unfair Work Choices system that the Australian electorate rejected at the last election when they rejected the Liberal Party.

The death rites of Work Choices are now being administered and we are getting ready to see the Fair Work Act spring into life. The sensible and practical measures in the transi-
FAIR WORK (TRANSITIONAL PROVISIONS AND CONSEQUENTIAL AMENDMENTS) BILL 2009

Consideration in Detail

Bill—by leave—taken as a whole.

Mr KEENAN (Stirling) (4.48 pm)—by leave—I move amendments (1) to (9) together:

(1) Schedule 3, Part 5, item 23, page 32 (lines 6 to 12), omit subitem (1) and note 1, substitute:

(1) Where a transitional instrument deals with a matter that is dealt with under the National Employment Standards, the transitional instrument is of no effect to the extent that the overall entitlements of the transitional instrument in relation to the matter are detrimental to the employee when compared to the overall entitlements of the National Employment Standards in relation to the matter.

(2) Schedule 3, Part 5, item 23, page 32, line 24, omit “in any respect”.

(3) Schedule 5, after Part 3, page 61 (after line 11) insert:

Part 4 – Relief from increased labour costs

14 Part 10A award modernisation process is not intended to result in an increase in labour costs

(1) The Part 10A award modernisation process is not intended to result in an increase in labour costs for employers.

(2) An employer’s labour costs in respect to an employee or outworker is the actual cost to the employer to employ the employee or engage the outworker:

(a) including wages and incentive-based payments, and additional amounts such as allowances and overtime; but
(b) disregarding the effect of any deductions that are made as permitted by section 324 of the FW Act.

Note: Deductions permitted by section 324 of the FW Act may (for example) include deductions under salary sacrificing arrangements.

(3) An employer suffers a modernisation-related increase in labour costs in respect to any employee or outworker if, and only if:

(a) a modern award made in the Part 10A award modernisation process starts to apply to the employer when the award comes into operation; and

(b) the employer’s labour costs are higher after the modern award comes into operation than what the employer’s labour costs were immediately before the modern award came into operation; and

(c) the increase in labour costs is attributable to the Part 10A award modernisation process.

15 Orders remedying an increase in labour costs

(1) If FWA is satisfied that an employer, or a class of employers, to whom a modern award applies, has suffered a modernisation-related increase in labour costs, FWA may make an order (a relief from increased costs order) varying particular terms of the modern award as they relate to the employer or class of employers, as FWA considers appropriate to remedy the situation.

(2) FWA may make a relief from increased cost order on application by:

(a) an employer who has suffered a modernisation-related increase in labour costs; or

(b) an organisation that is entitled to represent the industrial interests of such employer.

(3) FWA must not make a relief from increased costs order in relation to an employer or class of employers, if:

(a) FWA considers that the modernisation-related increase in labour costs is minor or insignificant; or

(b) FWA is satisfied that the employer or employers have been adequately compensated in other ways for the increase, such as through increased productivity or flexibility.

(4) FWA must ensure that a relief from increased costs order is expressed so that it does not apply to an employer unless the employer has actually suffered a modernisation-related increase in labour costs.

16 Relief from increased costs order continues to have effect so long as modern award continues to cover the employer or employers

A relief from increased costs order in relation to an employer or class of employers to whom a particular modern award applies continues to have effect (subject to the terms of the order) for so long as the modern award continues to cover the employer or employers, even if it stops applying to the employer or employers because an enterprise agreement starts to apply.

17 Inconsistency with modern awards and enterprise agreements

A term of a modern award or an enterprise agreement has no effect in relation to an employer to the extent that it is less beneficial to the employer than a term of a relief from increased costs order that applies to the employer.
18 Application of provisions of FW Act to relief from increased costs orders

The FW Act applies as if the following provisions of that Act included a reference to a relief from increased costs order:

(a) subsection 675(2);
(b) subsection 706(2).

(4) Schedule 5, after Part 3, page 61 (after line 11) insert:

Part 5—Amendments

Fair Work Act 2009

19 Paragraph 139(1)(i)

After “superannuation” insert “but ensuring employers can nominate any complying superannuation fund as the default fund”.

(5) Schedule 5, after Part 3, page 61 (after line 11) insert:

Part 6—Other amendments

Workplace Relations Act 1996

20 Section 576T

Repeal the section, substitute:

576T Terms that contain State-based differences

(1) For a period of 5 years starting on the day on which a modern award commences, the award is to reflect the State and Territory differences in previously existing awards.

(2) If, at the end of the period of 5 years starting on the day on which a modern award commences, the modern award includes terms and conditions of employment that:

(a) are determined by reference to State or Territory boundaries; or
(b) do not have effect in each State and Territory,

those terms and conditions cease to have effect at the end of that period.

(3) The Commission may reduce the 5 year period referred to in subsection (1) only when it is satisfied that it is appropriate to do so, having regard to:

(a) the views of the sector in which the modern award is intended to cover; and
(b) the impact on employment within the sector to which the modern award is intended to cover.

(6) Schedule 22, Part 3, page 238, (after line 27), after the note, insert:

(1A) For the purposes of subsection (1), a dispute can be threatened, probable or imminent.

(7) Schedule 22, Part 3, page 239, (after line 12), after subsection (7), insert:

Application of right of entry penalties to employers

(8) An employer who refuses entry to an employee organisation on the grounds of seeking an order or interim order under this section, and acts expeditiously and in good faith in seeking that order, is not subject to right of entry penalties under Part 3-4 of this Act.

(8) Schedule 22, Part 3, page 239, line 30, after paragraph (f), insert:

; and

(g) the views of the employer.

(9) Schedule 22, Part 3, page 239, (before line 31), before subsection (2), insert:

(1A) For the purposes of paragraph (1)(d), any agreement or understanding includes prior judicial and administrative decisions under previous legislation or involving related or predecessor employee organisations.

It is astonishing that, as we have been sitting here listening to this debate, Labor members of parliament, one after the other, have marched in here to talk about this bill and none of them, as far as I am aware, mentioned award modernisation once. Every single one of them will have small businesses that will go bust in their electorate. Every single one of them will have constituents
who will lose jobs because of these changes. Yet none of them saw fit to talk about it or defend it. One of the worst consequences of this bill can be alleviated if Labor and this minister listen to reason and embrace some of the sensible amendments that I am now moving. I would like to go to those amendments.

Firstly, the Fair Work Act created 10 National Employment Standards to replace the five Australian fair pay and conditions standards created under the former Workplace Relations Act. The bill sets rules for how the NES will interact with existing agreements and instruments. The approach adopted by the bill is to require a line-by-line comparison between the terms within an existing instrument and the terms of the NES. Where there is any detriment found, the terms of the NES will automatically apply.

This is going to be an incredibly complex and bureaucratic approach. This is a government that used to talk about reducing red tape and how it planned to deregulate aspects of the Australian economy, although you do not hear much talk about that lately. But this is actually a chance for the government to act on that talk. This is an amendment that will allow Labor an opportunity to make this act less bureaucratic in its operation and it will do something to reduce the red tape that is associated with it. This will make the task of employers easier and, when you make the task of employers easier, you make the task of encouraging them to employ people easier.

These amendments seek to remove the line-by-line approach to the concept of detriment as it relates to the interaction of the NES with transitional instruments. These amendments will ensure that the interaction between the NES and the transitional instruments is such that comparisons can be looked at on an overall basis when they occur. This is something that will make this task easier and make the task of employing Australians easier.

I want to move to the issue that Labor members refused to address during their contribution to this debate. That is the issue of award modernisation—doubtless the most important thing that we will be discussing here today and something that has the potential to throw tens of thousands of Australians onto the dole queue.

The new workplace relations system, when it takes full effect on 1 January, is predicated on the existence of a series of so-called modern awards. The bill creates a new power for Fair Work Australia to issue employee take-home pay orders. These orders are available to employees, where their take-home pay is reduced as a result of the operation of a modern award. This is reasonable and it gives effect to one of the minister’s promises—an undertaking that no employees will be disadvantaged under her changes.

Sadly, there is no equivalent legislative provision that gives effect to the other part of Minister Gillard’s promise—that these modern awards will not cause an increase in employer costs. This is simply unbelievable. Labor is happy to stand by whilst thousands of small businesses are put to the sword and tens of thousands of Australians are thrown out of work.

These amendments seek to insert a new provision that provides the equivalent employer version of the take-home pay orders outlined in the preceding part. The provision recognises and seeks to enshrine a provision, within the existing award modernisation requests, that promises, as the minister promised, no increase in costs to business. The provision details what a labour cost might include and describes the circumstances under which an employer may suffer an increase in labour costs related to the transition.
to a modern award. Where Fair Work Australia finds that an employer has suffered a modernisation related increase in labour costs, they are empowered to vary the particular instrument as it applies to that particular employer. Such an order remains in effect whilst the modern award continues to cover the employer. This amendment will fix up the nonsensical nature of the minister’s promise on award modernisation.

Further evidence of the unrealistic nature of this request was revealed during Senate debates through the passage of the Fair Work Act. On several occasions the government acknowledged that there was no reference to the terms of the minister’s request within that legislation, and in addition they voted against coalition amendments that would have enshrined the minister’s award modernisation request as law. (Extension of time granted) It is beyond dispute that employers must at some point absorb increased labour costs arising from the award modernisation process. Anecdotal evidence suggests that employers are making alterations to their staffing levels and that employees are already losing their jobs in anticipation of these new workplace laws. The impact of the award modernisation process on jobs and business should not be underestimated. The evidence presented to the committee is of extreme concern as it reveals that thousands of jobs will be lost directly as a result of this process. Worryingly, the sectors that will be the most adversely affected are those that are already the most likely to be affected by the worsening economic situation. These sectors, such as retail, aged care and horticulture, to name but a few, also employ significant numbers of young Australians and female workers. Casual and part-time employment opportunities are higher in these sectors.

It is essential that the bill be amended to provide an avenue for employers to seek relief from increased costs arising from the transition to a modern award. The failure to pass this amendment and the absence of such a provision is simply unfair and it ignores the overwhelming evidence regarding the true cost and impact for employers. It is clearly in the public interest that such a provision be included and that an individual workplace or enterprise be afforded the opportunity to argue its own particular circumstances. Industrial laws and a new workplace system cannot ignore the economic realities that are being felt within Australian workplaces today.

While an avenue such as that suggested deals with individual workplaces, a similar problem exists in relation to particular sectors and/or particular states. The legislation maintains the transition phase-in period contained at section 576T of the current act. We understand that this provision allows the commission a defined period within which it can phase out state based differences within modern awards and phase in these additional labour costs. This phase-in period has also been referred to by the minister with reference to the increased labour costs associated with the modernisation process, with reference to a maximum five-year period.

The minister’s award modernisation request does not provide the commission with enough guidance in relation to award modernisation. If this minister is genuine about this phase-in period—and she constantly refers to it when she is questioned about modern awards—it should be enshrined in law. It is appropriate that the commission maximise the transitional period for phasing out state based differences in order to provide workplaces the best opportunity to deal with the resulting changes to their conditions of employment and increased labour costs. The approach should be one that requires the commission to ensure changes are incrementally phased in over the longest possible period, with some discretion to determine a
shorter period should it be satisfied that it is in the public interest to do so. This is a markedly different approach to the one that is currently proposed by Labor, which contains an implicit presumption that state based differences will be phased out immediately unless it can be convinced otherwise.

The coalition amendments seek to provide power to Fair Work Australia to hear claims from employers seeking relief from increased costs. They seek to provide power to Fair Work Australia to exempt an employer from certain provisions of a modern award or delay the application of certain provisions of a modern award for any period that it feels appropriate. The amendments also seek to alter part 10A of the Workplace Relations Act, as continued by schedule 5, part 2 of the main bill, to require Fair Work Australia to adopt the five-year phase-in period as a default unless it is in the public interest to do otherwise.

I want to move to another matter, and that is representation orders, which are the subject of further amendments. The legislation creates a new power for Fair Work Australia to issue union representation orders where a dispute exists between unions about who can cover a particular workplace. This has implications for who can represent employees, who can be involved in bargaining and who can enter a workplace. The intention of this aspect of the legislation is to assist in resolving demarcation disputes that will increase, arising from the loss of the traditional party concept to industrial awards flowing from the new system of modern awards. By inserting the words ‘threatened, probable or imminent,’ this amendment has the effect of allowing the pre-emptive resolution of a demarcation dispute via a representation order. (Extension of time granted) This ensures that representation orders can be made before a dispute occurs and avoids disruption, job loss or industrial disharmony. It also provides for the application of right-of-entry penalties to be suspended for an employer who has acted in good faith in seeking a representation order.

An addition to the items to be considered by Fair Work Australia when making such an order is the views of the employer. Previously, Fair Work Australia were not required to consider the views of the employer. The amendment we have moved requires that Fair Work Australia have regard to previous demarcation decisions issued under the previous legislation. As foreshadowed during the earlier discussion on this bill and debate on the Fair Work Act, a consequence of this removal would be the further potential for union demarcation disputes—sometimes known as ‘turf wars’. A number of employee and employer associations previously expressed concern about this very real potential and they specifically requested a mechanism by which this could be addressed. The bill provides a facility whereby orders may be obtained from Fair Work Australia to hear and determine any such dispute where one exists. Such a facility is welcomed and should provide an avenue to resolve demarcation disputes in the event that they arise.

Notwithstanding this new facility, there are a number of concerns about the proposed provisions. In particular, concern was raised about the failure of the proposed bill to take account of the views of employers when making orders and the apparent limitation on circumstances when such orders can be proactively obtained. The bill as currently drafted appears to require that a dispute must exist before an application can be made for a representation order. This would necessarily require the existence of a disagreement between two competing unions prior to the intervention of Fair Work Australia. Demarcation disputes can be time consuming and raise complex legal considerations. It is essential that such disputes be resolved in a
timely manner to ensure disruption to productivity is minimal and jobs are not lost. As the bill is predicated on the existence of a dispute before it is enlivened, it is essential that there be a pre-emptive or proactive element to this section, as is proposed. It is clear that the provision as drafted creates uncertainty. This uncertainty would be alleviated by the amendments we propose here today.

Demarcation issues often emerge in circumstances involving union entry into a particular workplace. This entry is a right bestowed upon unions by virtue of the Fair Work Act and can carry significant penalties in circumstances of non-compliance by an employer. The right or otherwise of a union to enter a workplace has already been complicated by various provisions within the Fair Work Act. This complication would be exacerbated in circumstances of a demarcation dispute. The coalition amendments would ensure that Fair Work Australia were empowered to stay any attempt to enter a workplace subject to a demarcation dispute.

The bill details matters that Fair Work Australia must take into account in making a representation order. These matters include two significant factors, being the existence of any demarcation orders under the current Workplace Relations Act and the views of the employer. There is no valid or logical reason for the exclusion of these two factors, which are essential to ensuring the timely and sensible making of representation orders. The proposed amendment will require Fair Work Australia to take account of the views held by the employer when making representation orders and have greater regard to existing representation orders.

I will very briefly refer to the proposed amendment regarding default superannuation. The coalition see default superannuation provisions in this bill as a restraint on competition. The provisions encourage apathy in superannuation choice at a time when people need to be engaged in their retirement planning. Our amendment would increase the employer’s choice of super fund, and we would encourage them to take account of this choice. This amendment would change the default provisions so that when choosing a superannuation fund an employer could also nominate a complying superannuation fund as the default. (Extension of time granted) The amendments we propose are sensible amendments. They improve aspects of the act. Most importantly, they would alleviate some of the worst job-destroying aspects of the act in the fatally flawed award modernisation process. I urge the government to see sense on these amendments, and I commend them to the House.

Ms GILLARD (Lalor—Minister for Education, Minister for Employment and Workplace Relations and Minister for Social Inclusion) (5.04 pm)—I thank the shadow minister for his contribution. I say to the shadow minister that I have some general sympathy for him. I understand he is in a difficult position—belonging to and representing, as he does, a party that is wedded to Work Choices—as he needs to come out in the public debate day after day pretending that he and his party are not still the party of Work Choices. Against that backdrop he does the best he can.

Mr Keenan—Saving jobs!

Ms GILLARD—Of course, he is using the same argument the opposition used each and every day up until the 2007 election, and the Australian people saw right through it.

Mr Keenan—There will be a million people unemployed under you.

Ms GILLARD—Apparently, he is advocating for Work Choices to be brought back at the next election. But we will let the opposition go out and argue that—that is, if they
have the guts to honestly argue it, because they never did.

I turn to the amendments that the opposition has moved. These amendments range from the unnecessary to the unworkable. For example, opposition amendment (6) has the same effect as government amendment (103), to ensure representation orders are available to deal with threatened, impending or probable disputes. Consequently, the opposition amendment is unnecessary. Amendments (1) and (2), which apply a global test to the National Employment Standards for transitional instruments, would deprive almost all employees of the safety net and would be unworkable and uncertain. It would be inconsistent with the government’s commitment to ensuring that the National Employment Standards are operational from 1 January 2010. I know the Liberal Party never saw a safety net it did not want to see ripped away, and this is more of the same. Opposition amendment (3), the employer cost orders proposed by the opposition, is unnecessary. The award modernisation request already requires the Australian Industrial Relations Commission to consider transitional arrangements, and the government has made a submission urging the commission to take account of increased or decreased labour costs in each industry or occupation.

Opposition amendment (5) would take away the Australian Industrial Relations Commission’s ability to tailor transitional arrangements for particular industries or sectors, entrenching state based inconsistencies in terms and conditions for another five years and then providing that they must automatically cease. This big-bang approach would be a recipe for chaos and would take away the ability of the commission to set out orderly transitional arrangements in awards themselves.

I will make some further comments on each of the amendments. I understand, from the issues raised by the shadow minister for workplace relations, that he is justifying some or all of these amendments because of his criticisms of the award modernisation process. I say to the shadow minister and to his Liberal Party: award modernisation is a reform that has been sought by employers for decades. The approach of the Liberal Party in government was to create statutory individual employment agreements, to rip the safety net away, and then they delighted in the evidence that showed that working Australians were having basic entitlements ripped off them. That was something that they applauded each and every step of the way. But, in ensuring that the award safety net could be stripped away, they shirked the big job of modernising awards. They found themselves, as a government and as a Liberal Party, incapable of doing it. Too slow, too silly, too unfocused—I do not know what the explanation was, but they could not get it done.

Employers around the country have called for this reform for years. Take just one quote from ACCI, the Australian Chamber of Commerce and Industry. They said:

Workplace relations policy is too important for horse and buggy era approaches to persist. In its desperate days in opposition, the Liberal Party might be attracted to the reintroduction of the horse and buggy, but no-one else is. We are getting on with the job of making sure that thousands and thousands of awards are modernised and streamlined. That is what employers want, and we are working with them cooperatively to address their concerns as those concerns are raised.

I note that, in government, the now opposition pretended that they believed in this reform. I take just one quote from the member for Menzies, the then minister. (Extension of time granted) He promised he would
simplify the existing 4,000 state and federal awards and the 44,000 wage classifications contained within them. However, he never got the job done. Given the absolute incompetence of the Liberal Party when faced with this reform task, I think it hardly falls to them to make criticisms of the government that actually is doing something that they were incapable of doing. I certainly say that the Labor Party is not going to be lectured by the Liberal Party on the question of the award safety net when they made it clear from their time in government they do not believe in such a safety net. If they believed in such a safety net, they never would have introduced WorkChoices.

I come to the specifics of opposition amendments (1) and (2). This is the replacement of the line-by-line approach to the implementation of the NES with a global approach. This is a recipe for ripping employees off. I know that is what the Liberal Party believes in, but we do not. We will ensure that Australians get the benefit of the National Employment Standards precisely as we promised them. We took it to the election, we campaigned on it and we got public endorsement for it.

Opposition amendment (3)—the employer cost orders—is obviously there to seek to generate fear in the business community about what is happening with award modernisation. But the truth is that the government already has transitional arrangements in place. The commission is already seized of the task of dealing with the phasing in of new, simple, modern awards. That process is working and underway at the commission at the moment.

Opposition amendment (4) relates to default superannuation funds. All Australian employees will continue to be entitled to choose their own superannuation fund when modern awards commence on 1 January 2010. But I do not see why the Liberal Party sets its face against the proposition that default funds for those employees who do not make such an election should be highly performing funds. That is what that proposition is all about.

The opposition amendment relating to the five-year phasing is a doozy. This is a recipe for complete chaos. Instead of having transitional arrangements over a five-year period, which the commission is working on now, the Liberal Party says, ‘Let’s keep all state based differences and then just have them go out of the system overnight.’ No-one who knows anything about workplace relations would think that that is an adequate system. They certainly would not get endorsement for it. That amendment is obviously being opposed by us. We believe in an orderly transition and that is what this bill provides.

Opposition amendments (6) to (9) are unnecessary. This matter is dealt with in government amendments, and that ought to be transparent to the opposition. We are dealing with the question of representation orders being able to be made in circumstances where there is a threatened, impending or probable dispute. That is already in the government amendments, so it is quite unnecessary.

I say in concluding my remarks on these amendments that I understand that the shadow minister does his best in difficult circumstances—where his party stands for tearing awards away and for industrial relations extremism—but none of these amendments, as moved, would improve this bill. Many of them would impose a significant burden on working people, allowing the National Employment Standards we have promised them to be ripped away from them. Many of them would cause complete chaos for employers. I note that the shadow minister says that he cares about red tape for em-
ployers. If that is true then I presume at some point he will issue an apology to the business community of this country for the red tape that was caused by Work Choices and for the more than 100,000-deep pile of agreements that got left unprocessed at the Workplace Authority, with businesses uncertain and in chaos because of the actions of the former government. The amendments are unworkable, unnecessary, to the detriment of employees and employers and ought to be rejected by this House.

Mr KEENAN (Stirling) (5.14 pm)—I am immensely disappointed to hear the Deputy Prime Minister’s attitude in relation to these amendments. The reality is they would have alleviated some of the problems that she has created within this legislation. Of course the most important thing they would do is save jobs. They would stop small businesses from having to close as a result of her award modernisation request.

The minister scoffs at this suggestion, but she does not seem to have any idea what is going to happen once this award modernisation process moves forward. She has no solutions for businesses on how they would implement these increased wages costs, and she does not seem to think that what we are saying about jobs being lost because of this is a credible argument. The reality is she is going to be proved wrong by refusing to look at the sensible amendments that we have proposed to her bill. I have a series of questions for the minister. Firstly, given the attitude that she has just displayed, does the minister stand by her promise that through the award modernisation process no employee will be disadvantaged and that it will not increase cost to business?

Ms GILLARD (Lalor—Minister for Education, Minister for Employment and Workplace Relations and Minister for Social Inclusion) (5.16 pm)—While I suspect it is a little bit unusual for questions on government policy to be introduced in the context of opposition amendments, if it suits the convenience of the House, I will answer some questions from the shadow minister now and I trust we can then move through to what I presume is a division and then the introduction of government amendments, because as you would be aware, Mr Deputy Speaker, the House has much business pressing upon it and many hours to sit yet.

Everything to do with workplace relations is an important issue, which is why we have gone to so much trouble to work with stakeholders to get the balance right. When I issued the award modernisation request, my instructions to the Australian Industrial Relations Commission were clear: this is not a process in which we want to see employees disadvantaged or additional costs to employers. I understand that is a difficult balance, and to be fair to the Australian Industrial Relations Commission, given the huge amount of work that lay before it in award modernisation, and given this is a task that has been tried over the years and people—including, most spectacularly, the Liberal Party—have failed in getting it done, they are doing a remarkably good job.

Yes, there have been some concerns, and people would be aware that very recently I responded to a set of concerns raised by the restaurant and catering industry. There are concerns that have been raised and worked through by government, and we will continue to work through the issues in a collaborative approach with employers. I would say to the shadow minister opposite, who now presumes himself to somehow be speaking on behalf of others, that maybe at some point—and I understand that this is a process that does not allow me to ask him questions—he might want to explain to the representatives of employers in this country why they have been able to have so much time
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working with draft legislation and working with the government on getting the balance right when the track record of his political party in office is that these representatives were shut out and presented with a fait accompli, much of it viewed by them as unworkable.

I would also ask the shadow minister to contemplate, before he styles himself as a representative for others in this debate: why is it that his political party imposed on employers a system that ended up with more than 100,000 agreements backlogged while waiting for processing, with employers thrown into chaos as they waited many months for the processing of them? I would also ask the shadow minister why it is, if he is now saying somehow all of this is not the right thing to be doing, that his political party voted for the first workplace relations bill that I brought to this parliament, which included the provisions that set us on the track of modernising awards? Why is it that they voted for that?

Where we are, with this debate, is that the government has an election policy. It got the endorsement of the Australian people.

Mr Keenan interjecting—

Ms GILLARD—The shadow minister at the table is now saying they were misled. The only misleading in contemporary times of the Australia electorate about workplace relations was by his political party in the 2004 election, when they never told the Australian people about Work Choices. I say to the shadow minister opposite: all of his raising of supposed concerns will in truth be a proxy debate until his political party has the gumption to make it clear to the Australian people whether it still stands for Work Choices and, if it does not, what part it endorses and what part it rejects. I wait with interest the answer to those questions. The opposition have a fundamentally divided party room between the political pragmatists and those who are at the ideologues. We will wait to see how the struggle plays itself out. In the meantime, the government will get on with the job of delivering what it promised the Australian people.

Mr KEENAN (Stirling) (5.20 pm)—If I could just remind the House: the question that I asked the minister that resulted in that diatribe was whether she stands by her commitment to Australian businesses that the award modernisation process will not increase labour costs. What happens when you increase labour costs is that you force employers to make a decision. Some businesses might be able to pass on those extra costs to their consumers. Others are going to have to rationalise their workforce. They are going to have to get rid of people whom they have employed because they can no longer afford to employ people after these enormous labour costs are incurred.

It is astonishing to me that the minister classifies the concerns that have been expressed by industries that are facing this particular prospect as ‘supposed concerns’. What is a ‘supposed concern’ about a pharmacist who says they employ four people, but they can now only afford to employ three people because of the minister’s changes? I do style myself as a representative of other people in this debate because I have been out and I have spoken to small businesses that are going to have to get rid of some of their workers. The minister does not understand that that is a very painful process for a small business. If you have four people in your small business, the chances are you are probably like a little family. What the government is going to do is force them, because of their labour cost increases, to get rid of some of that workforce.

What do you make of a government that says that employment is its highest priority
when they come into this House and they refuse to look at amendments that will actually save Australian jobs? I think that that response from the Deputy Prime Minister was nothing short of disgraceful. These concerns are real, the results that are going to eventuate from this process are real and the people who are going to be thrown on the dole queue because of the minister’s flawed ideology are also real. If the Deputy Prime Minister refuses to accept amendments that will make sure that employers are not disadvantaged because of these increases in labour costs, has she done any modelling on the likely results of the award modernisation process on the labour market, and if not why not? Why would she not have completed this basic due diligence process for such a major change?

Ms GILLARD (Lalor—Minister for Education, Minister for Employment and Workplace Relations and Minister for Social Inclusion) (5.23 pm)—Once again I am happy to answer the shadow minister’s question, though I do note it is a bit out of order in the context of the debate. The answer to the shadow minister’s question is as follows: as the shadow minister would be aware, when the former government introduced WorkChoices it performed economic modelling it never released. Consequently, his question is characterised by a hypocrisy that no right thinking person would accept. The hypocrisy is exposed.

The government produced a comprehensive statement about the impacts of the Fair Work Act. It was never really clear to me where the Liberal Party ended up on the Fair Work Act. The Leader of the Opposition at one point suggested that they were going to vote for it all, including the unfair dismissal provisions. Then he got dragged back by the ideologues in the party and they ended up basically voting for a set of blocking propositions in the Senate. What I would say to the shadow minister is that if he wants to have an honest public debate about this and he wants to go through the doors of this parliament and say, ‘We the Liberal Party stand for Work Choices,’ I say bring it on. We will have that debate all the way up until 2010 and beyond. Of course he never says that but, fuelled by that belief, he comes in and carps and criticises in the way that we have come to expect from the opposition during its days in opposition.

If the shadow minister is interested in the details of what is happening with the award modernisation process, he can follow it through. Piece by piece, consideration by consideration, as the commission works through the award modernisation process it is obviously being informed by the views of the stakeholders, including any views they want to put on impacts on employment. It is happening each and every step of the way in the award modernisation process. Can I say again to the shadow minister, as I said in my earlier contribution, we continue to work very solidly with businesses and address their concerns. I did that very recently in an amendment to the award modernisation request and I will continue in that very serious process. What I do not accept is that, in moving these unworkable and unnecessary amendments, the shadow minister is in truth representing anybody external to himself and the Liberal Party.

We will continue our very serious measured dialogue with employers, with their representative organisations, around getting award modernisation right, around all aspects of the implementation of the Fair Work system, just as in every part of the process to date—every piece of legislation, clause by clause, page by page, day by day—we have worked with representatives of the employers in a way never dreamed of or contemplated by the Liberal Party when they were in government. This is a government that
consults and that can point to its track record on consulting. Our track record on consulting employers on workplace relations is superior to anything that was ever enacted by the Liberal Party when it was in office.

Mr KEENAN (Stirling) (5.26 pm)—Once again the Deputy Prime Minister does not have any answers to these sensible questions. You would think when you are making major changes to the industrial relations system you might actually ask the question, ‘What is this going to do to people’s jobs prospects?’ If the Deputy Prime Minister does not think this is a problem, she ought to get out more and actually talk to some small businesses. She ought to get out and talk to some large businesses.

What does she think is going to happen when you massively increase the cost of running a business? What is the logical result of that? Overnight, you come in and you say, ‘Your wage bill is going to go up by 15 per cent or 20 per cent.’ What does she think that small business is going to have to do to survive, if it can possibly survive at all? This is the ludicrous thing about these amendments. This is the ludicrous thing about what this government is proposing. They do not have any answers at all for what people are going to do once their cost base is massively increased, in some cases from 1 January next year. I would be interested to know what the Deputy Prime Minister would say to a small business that is faced with this massive increase in its cost base, and what she thinks will actually be the likely result of massive increases in labour costs in some sectors in some particular states? What does she think those businesses are going to do?

Ms GILLARD (Lalor—Minister for Education, Minister for Employment and Workplace Relations and Minister for Social Inclusion) (5.28 pm)—Let me be brief in answer to the shadow minister’s question. I would say in the conversation with that small business that I saved them from a Liberal Party amendment that would have caused a drop dead date at the end of five years with an overnight end to all state based differentials, with all of the chaos and uncertainty that that would cause. I would say that I and the Labor Party saved them from that madcap Liberal proposal and I would say that in doing that we brought to them—presuming of course that the Liberal Party in the Senate does not clutch on day after day to keep Work Choices by holding this bill up—exactly what we promised at the 2007 election: a sensible and measured transition.

Mr KEENAN (Stirling) (5.29 pm)—Clearly, we are not getting very far. We have a minister who refuses to acknowledge that she made a commitment to Australian businesses that she would not increase their cost base. We have a minister who does not seem to understand what increasing the cost base is actually going to do to businesses in Australia. We have a minister who will not acknowledge that these changes are going to cost jobs. We have a minister who will not acknowledge that these changes are going to close down small businesses.

The amendments that we have proposed are sensible amendments that will alleviate some of the worst aspects of this bill. The one million Australians who will be out of work are not going to accept from the government their usual global alibi that they cannot do anything about this—‘It is all the result of the international financial situation and our hands are completely tied.’ When you ask the Deputy Prime Minister about employment, she comes to the dispatch box, shrugs her shoulders, says, ‘There’s nothing we can do,’ and goes off on a rant about Work Choices and John Howard. We have tried to help the government here. We have tried to improve this bill. I recommend again that the government accept these amend-
ments. They are sensible amendments. They will save Australian jobs and they will save Australian small businesses.

Question put:

That the amendments (Mr Keenan’s) be agreed to.

The House divided. [5.35 pm]

(The Deputy Speaker—Dr MJ Washer)

Ayes.......... 62
Noes.......... 77
Majority....... 15

AYES


* denotes teller

Question negatived.

Ms GILLARD (Lalor—Minister for Education, Minister for Employment and Workplace Relations and Minister for Social Inclusion) (5.39 pm)—by leave—I present a supplementary explanatory memorandum to the bill and I move government amendments (1) to (110):

(1) Clause 2, page 2 (at the end of the table), add:

NOES

9. Schedule 23, items 1 and 2
Immediately after the commencement of Part 2-4 of the 
Fair Work Act 2009.

10. Schedule 23, items 3 to 6
Immediately after the commencement of Part 2-2 of the 
Fair Work Act 2009.

11. Schedule 23, item 7
Immediately after the commencement of Part 2-3 of the 
Fair Work Act 2009.

12. Schedule 23, item 8
Immediately after the commencement of Part 2-8 of the 
Fair Work Act 2009.

13. Schedule 23, item 9
Immediately after the commencement of Division 1 of Part 2-9 of the Fair Work Act 2009.

14. Schedule 23, items 10 to 12
Immediately after the commencement of Part 3-3 of the 
Fair Work Act 2009.

15. Schedule 23, items 13 to 21
Immediately after the commencement of Part 4-1 of the Fair Work Act 2009.

16. Schedule 23, item 22
Immediately after the commencement of section 799 of the Fair Work Act 2009.

(2) Schedule 2, item 1, page 5 (line 12), omit “and” (first occurring), substitute “to”.

(3) Schedule 2, item 2, page 7 (after line 9), after the definition of single enterprise, insert:
State and Territory interaction rules:
see subitem 5A(2) of Schedule 3.

(4) Schedule 2, item 7, page 11 (line 7), omit “old”.

(5) Schedule 2, item 11, page 14 (before line 4), before subitem (1), insert:
Conduct before repeal

(6) Schedule 2, item 11, page 14 (after line 7), after subitem (1), insert:
Processes begun before repeal to vary or terminate WR Act instruments
(1A) If:
(a) a process to vary or terminate a WR Act instrument is begun under the 
WR Act before the WR Act repeal day; and
(b) the WR Act instrument becomes a transitional instrument because of the 
operation of Part 2 of Schedule 3;
the WR Act continues to apply, on and 
after the WR Act repeal day, for the 
purposes of completing the process.

Orders made before repeal

(7) Schedule 2, item 11, page 14 (line 11), omit subitem (3), substitute:
Item subject to this Act

(3) This item applies subject to this Act.

(8) Schedule 2, item 12, page 14 (line 21), after “application”, insert “, other than an interim application.”.

(9) Schedule 2, item 12, page 14 (line 30), after “(however described)”, insert “, other than an interim process.”.

(10) Schedule 2, item 12, page 15 (after line 10), at the end of the item, add:
(4) In this item:
interim application means an application that relates to a matter that is already before, or being dealt with by, the Commission, the President, a member of the Commission or a Registrar before the WR Act repeal day.
interim process means a process (however described) that relates to a matter that is already before, or being dealt with by, the Commission, the President, a member of the Commission or a Registrar before the WR Act repeal day.

(11) Schedule 2, item 13, page 15 (after line 14), after paragraph (a), insert:
(aa) provide that subitem 11(1A) does not apply in relation to specified processes;

(12) Schedule 3, page 21 (after line 3), after item 5, insert:

CHAMBER
5A Transitional instruments continue to be subject to the same State and Territory interaction rules

(1) The same State and Territory interaction rules that applied in relation to WR Act instruments of a particular kind immediately before the WR Act repeal day continue to apply in relation to instruments of that kind that become transitional instruments.

(2) State and Territory interaction rules are provisions of a law of the Commonwealth, as in force immediately before the WR Act repeal day, the effect of which is that:

(a) an instrument prevails over, or excludes, a law of a State or Territory; or

(b) an instrument has effect subject to a law of a State or Territory.

Note: Most of the State and Territory interaction rules were in the WR Act.

(13) Schedule 3, item 24, page 32 (line 28), before "The", insert "(1)".

(14) Schedule 3, item 24, page 33 (after line 13), at the end of the item, add:

(2) If:

(a) a transitional instrument includes terms referred to in subsection (1) of section 93 or 101 of the National Employment Standards; but

(b) the terms do not include the requirements referred to in subsection (2) of that section;

the instrument is taken to include terms that include the requirements.

(15) Schedule 3, page 34 (after line 36), after item 28, insert:

28A Terms of modern awards about outworker conditions continue to apply

(1) This item applies if, at a particular time:

(a) an agreement-based transitional instrument applies to an employee; and

(b) outworker terms (within the meaning of the FW Act) in a modern award would, but for the transitional instrument, apply to the employee.

(2) Despite item 28 and despite any terms of the agreement-based transitional instrument that are detrimental to the employee in any respect when compared to the terms of the modern award, the outworker terms apply at that time to the following persons:

(a) the employee;

(b) the employer;

(c) each employee organisation to which the modern award applies.

(3) To avoid doubt, to the extent to which terms of a modern award apply to an employee, an employer or an employee organisation because of subitem (2), the modern award applies to the employee, employer or organisation.

(16) Schedule 3, page 36 (after line 32), at the end of Division 2 of Part 5, add:

31A Designated outworker terms of award-based transitional instrument continue to apply

(1) This item applies if, at a particular time:

(a) an enterprise agreement or workplace determination (under the FW Act) applies to an employer; and

(b) an award-based transitional instrument covers the employer (whether the transitional instrument covers the employer in the employer’s capacity as an employer or an outworker entity); and

(c) the transitional instrument includes one or more designated outworker terms.
(2) Despite item 31, the designated outworker terms of the award-based transitional instrument apply at that time to the following:

(a) the employer;
(b) each employee who is both:
   (i) a person to whom the enterprise agreement or workplace determination applies; and
   (ii) a person who is covered by the transitional instrument;
(c) each employee organisation that is covered by the transitional instrument.

(3) To avoid doubt:

(a) award-based transitional instruments are taken to be instruments to which the definition of designated outworker term in section 12 of the FW Act applies; and

(b) designated outworker terms of an award-based transitional instrument can apply to an employer under subitem (2) even if none of the employees of the employer is an outworker; and

(c) to the extent to which designated outworker terms of an award-based transitional instrument apply to an employer, an employee or an employee organisation because of subitem (2), the transitional instrument applies to the employer, employee or organisation.

(17) Schedule 4, page 46 (after line 29), at the end of Part 2, add:

4A References to workplace agreements include references to enterprise agreements

(1) The provisions of the WR Act that continue to apply because of this Part have effect as if a reference in the provisions to a workplace agreement included a reference to an enterprise agreement.

(2) Subitem (1) has effect unless the context otherwise requires and subject to the regulations.

(18) Schedule 5, item 2, page 53 (after line 16), at the end of the item, add:

(5) In continuing and completing the Part 10A award modernisation process, the Australian Industrial Relations Commission must have regard to:

(a) the state of the national economy; and

(b) the likely effects on the national economy of any modern award that the Commission is considering, or is proposing to make, with special reference to likely effects on the level of employment and on inflation.

(19) Schedule 5, item 6, page 56 (after line 3), after subitem (2), insert:

(2A) The review must be such that each modern award is reviewed in its own right. However, this does not prevent FWA from reviewing 2 or more modern awards at the same time.

(20) Schedule 6, item 2, page 63 (lines 9 to 16), omit subitem (2), substitute:

(2) An enterprise award-based instrument is an award-based transitional instrument to which subitem (2A) or (2B) applies.

(2A) This subitem applies to an award-based transitional instrument that is an award, if the award covers employees in:

(a) a single enterprise (or a part of a single enterprise) only; or

(b) one or more enterprises, if the employers all carry on similar business activities under the same franchise and are:
   (i) franchisees of the same franchisor; or
   (ii) related bodies corporate of the same franchisor; or
   (iii) any combination of the above.
This subitem applies to an award-based transitional instrument that is a notional agreement preserving State awards, if the notional agreement includes terms and conditions from a State award that covered employees in:

(a) a single enterprise (or a part of a single enterprise) only; or

(b) one or more enterprises, if the employers all carried on similar business activities under the same franchise and were:

(i) franchisees of the same franchisor; or

(ii) related bodies corporate of the same franchisor; or

(iii) any combination of the above.

Schedule 6, item 2, page 63 (line 27), omit “subitem (2)”, substitute “subitem (2B)”. Schedule 6, item 4, page 64 (lines 30 and 31), omit “FW (safety net provisions) commencement day”, substitute “WR Act repeal day”.

Schedule 6, item 4, page 65 (lines 7 to 11), omit paragraphs (5)(b) and (c), substitute:

(b) whether there is a modern award (other than the miscellaneous modern award) that would, but for the enterprise instrument, cover the persons who are covered by the instrument, or whether such a modern award is likely to be made in the Part 10A award modernisation process;

(c) the content, or likely content, of the modern award referred to in paragraph (b) (taking account of any variations of the modern award that are likely to be made in the Part 10A award modernisation process);

Schedule 6, item 4, page 65 (after line 26), at the end of subitem (5), add:

Note: A variation referred to in paragraph (c) may, for example, be a variation to reflect the outcome of the AFPC’s final wage review under the WR Act, or to include transitional arrangements in the modern award.

Schedule 6, item 4, page 65 (before line 27), before subitem (6), insert:

(5A) If FWA makes a modern enterprise award before the FW (safety net provisions) commencement day, the modern enterprise award must not be expressed to commence on a day earlier than the FW (safety net provisions) commencement day.

Note: For when a modern enterprise award is in operation, see item 17.

Schedule 6, item 5, page 65 (lines 32 and 33), omit “FW (safety net provisions) commencement day”, substitute “WR Act repeal day”.

Schedule 6, item 5, page 66 (lines 10 to 14), omit paragraphs (4)(b) and (c), substitute:

(b) whether there is a modern award (other than the miscellaneous modern award) that would, but for the enterprise instrument, cover the persons who are covered by the instrument, or whether such a modern award is likely to be made in the Part 10A award modernisation process;

(c) the content, or likely content, of the modern award referred to in paragraph (b) (taking account of any variations of the modern award that are likely to be made in the Part 10A award modernisation process);

Schedule 6, item 5, page 66 (after line 29), at the end of subitem (4), add:

Note: A variation referred to in paragraph (c) may, for example, be a variation to reflect the outcome of the AFPC’s final wage review under the WR Act, or to include transitional arrangements in the modern award.

Schedule 6, item 5, page 66 (line 31), after “the instrument”, insert “, being a day that is not earlier than the FW (safety net provisions) commencement day”.

Schedule 6, item 6, page 67 (line 3), after “Note”, insert “1”.

Schedule 6, item 6, page 67 (after line 4), at the end of the item, add:
Note 2: See also item 16A (how the FW Act applies to the enterprise instrument modernisation process before the FW (safety net provisions) commencement day).

(32) Schedule 6, item 7, page 67 (after line 8), at the end of subitem (1), add:
Note: See also item 16A (how the FW Act applies to the enterprise instrument modernisation process before the FW (safety net provisions) commencement day).

(33) Schedule 6, item 9, page 69 (after line 35), after subitem (3), insert:

(3A) Despite subitem (3), if, before the FW (safety net provisions) commencement day, FW A makes a decision not to make a modern enterprise award to replace an enterprise instrument, the decision must not come into operation before the FW (safety net provisions) commencement day.

(34) Schedule 6, page 73 (before line 2), before item 17, insert:

16A How the FW Act applies to the modernisation process before the FW (safety net provisions) commencement day

For the purposes of making a modern enterprise award before the FW (safety net provisions) commencement day, the following provisions of the FW Act apply as if they had already commenced:

(a) Part 2-2 (which deals with the National Employment Standards);
(b) section 134 (which deals with the modern award objective);
(c) Division 3 of Part 2-3 (which deals with terms of modern awards);
(d) section 284 (which deals with the minimum wages objective);
(e) any provisions that are necessary for the effectual operation of the provisions referred to in paragraphs (a) to (d).

(35) Schedule 7, item 13, page 92 (line 9), after “an award”, insert “or a notional agreement preserving State awards”.

(36) Schedule 7, item 13, page 92 (line 11), omit “outworker terms as defined in section 564 of the WR Act”, substitute “terms that are (or that would be, if the terms were in an award) outworker terms as defined in section 564 of the WR Act”.

(37) Schedule 7, item 22, page 98 (line 17), before “Subsection”, insert “(1)”.  

(38) Schedule 7, item 22, page 98 (after line 22), at the end of the item, add:

(2) However, subitem (1) does not apply in relation to a workplace determination if:

(a) the collective agreement-based transitional instrument has ceased to operate; and

(b) FW A considers that it is appropriate in the circumstances to make the workplace determination.

(3) In making a decision for the purposes of paragraph (2)(b) of this item, FWA must take into account the objects set out in section 241 of the FW Act.

(39) Schedule 8, item 4, page 105 (lines 8 to 13), omit paragraph (1)(a), substitute:

(a) the Workplace Authority Director must not consider whether the agreement passes the no-disadvantage test under section 346D of the WR Act, as that section continues to apply because of item 3, unless:

(i) the agreement is lodged before the end of the period (the cut-off period) of 14 days referred to in subsection 342(1) or (2) of that Act; and

(ii) for a union collective agreement—the agreement was approved before the WR Act repeal day; and

(40) Schedule 8, item 4, page 105 (lines 20 to 22), omit the note, substitute:
Note: The general effect of this provision is that unlodged collective agreements (other than union collective agreements) must be lodged within 14 days of being made in order to come into operation. Unlodged union collective agreements must have been approved before the WR Act repeal day and be lodged within 14 days of that approval in order to come into operation. However, late lodgment will not give rise to a civil remedy.

(41) Schedule 8, item 5, page 106 (lines 24 to 26), omit paragraph (3)(a), substitute:

(a) the period of 37 days beginning on whichever of the following days is later:
   (i) the WR Act repeal day;
   (ii) the date of issue specified in the notice under subsection 346M(2) of that Act in relation to the agreement;

(42) Schedule 8, item 8, page 107 (lines 31 to 36), omit paragraph (1)(a), substitute:

(a) the Workplace Authority Director must not consider whether the varied agreement passes the no-disadvantage test under section 346D of the WR Act, as that section continues to apply because of item 7, unless:
   (i) the variation is lodged before the end of the period (the cut-off period) of 14 days referred to in subsection 375(1) of that Act; and
   (ii) for a variation of a union collective agreement or a union greenfields agreement—the variation was approved before the WR Act repeal day; and

(43) Schedule 8, item 8, page 108 (lines 4 to 6), omit the note, substitute:

Note: The general effect of this provision is that unlodged variations of collective agreements must be lodged within 14 days of being approved in order to come into operation. Unlodged variations of union collective agreements and union greenfields agreements must also have been approved before the WR Act repeal day. However, late lodgment will not give rise to a civil remedy.

(44) Schedule 8, item 9, page 109 (lines 1 to 3), omit paragraph (2)(a), substitute:

(a) the period of 37 days beginning on whichever of the following days is later:
   (i) the WR Act repeal day;
   (ii) the date of issue specified in the notice under subsection 346M(2) of that Act in relation to the agreement as varied; or

(45) Schedule 8, item 15, page 113 (lines 13 to 15), omit paragraph (3)(a), substitute:

(a) the period of 37 days beginning on whichever of the following days is later:
   (i) the WR Act repeal day;
   (ii) the date of issue specified in the notice under subsection 346M(2) of that Act in relation to the ITEA; or

(46) Schedule 8, item 17, page 115 (lines 1 to 3), omit paragraph (2)(a), substitute:

(a) the period of 37 days beginning on whichever of the following days is later:
   (i) the WR Act repeal day;
   (ii) the date of issue specified in the notice under subsection 346M(2) of that Act in relation to the variation; or

(47) Schedule 8, page 124 (after line 3), after item 28, insert:

28A Variations to pass no-disadvantage test after WR Act repeal day

Despite any other provision of Division 5A of Part 8 of the WR Act, as that Division continues to apply because of this Schedule in relation to:

(a) a workplace agreement; or
(b) a variation of such an agreement under Division 8 of that Part;
only one variation for the purposes of passing the no-disadvantage test of the agreement or variation may be lodged with the Workplace Authority Director on or after the WR Act repeal day. (48) Schedule 9, page 132 (after line 6), after item 5, insert:

5A References to workplace agreements include references to enterprise agreements

(1) The provisions of the WR Act that continue to apply because of item 5 have effect as if a reference in the provisions to a workplace agreement included a reference to an enterprise agreement.

(2) Subitem (1) has effect unless the context otherwise requires and subject to the regulations.

(49) Schedule 9, item 13, page 137 (after line 3), at the end of the item, add:

Note: The AFPCS interaction rules may affect the base rate of pay payable to an employee (see item 22 of Schedule 3).

(50) Schedule 11, item 6, page 147 (line 17), after “16”, insert “to the Fair Work (Transitional Provisions and Consequential Amendments) Act 2009”.

(51) Schedule 11, item 6, page 147 (line 23), after “16”, insert “to the Fair Work (Transitional Provisions and Consequential Amendments) Act 2009”.

(52) Schedule 11, item 6, page 147 (line 29), after “16”, insert “to the Fair Work (Transitional Provisions and Consequential Amendments) Act 2009”.


(54) Schedule 11, item 13, page 155 (line 2), at the end of paragraph (3)(f), add “to the Fair Work (Transitional Provisions and Consequential Amendments) Act 2009”.

(55) Schedule 14, item 3, page 169 (line 21), omit “subsection 481(1)”, substitute “subsections 481(1) and 483A(1)”.

(56) Schedule 14, item 4, page 169 (line 28), omit “(1)”. (57) Schedule 14, item 4, page 169 (line 32) to page 170 (line 2), omit subitem (2).

(58) Schedule 14, item 5, page 170 (lines 3 to 10), omit the item.

(59) Schedule 16, item 15, page 179 (line 15), omit “Compliance with continuing”, substitute “Continuing”.

(60) Schedule 16, item 15, page 179 (line 16), before “A person”, insert “(1)”.

(61) Schedule 16, item 15, page 179 (line 18), omit “This item”, substitute “This subitem”.

(62) Schedule 16, item 15, page 179 (line 19), before “continuing”, insert “a”.

(63) Schedule 16, item 15, page 179 (after line 20), at the end of the item, add:

(2) A transitional employer must not contravene subclause 72J(2) or 72K(1), (2) or (3) of continued Schedule 6.

Note: This subitem is a civil remedy provision (see item 16, and Part 4-1 of the FW Act).

(64) Schedule 16, item 16, page 179 (after line 36), after paragraph (1)(d), insert:

(da) the reference in subsections 540(3) and (4) to a term in an enterprise agreement that would be an outworker term if it were included in a modern award included a reference to a term in a collective agreement-based transitional instrument that would be an outworker term if it were included in an award-based transitional instrument; and

(65) Schedule 16, item 16, page 180 (cell at table item 38, column headed “Civil remedy provision”), omit the cell, substitute:

(2) (other than in relation to a contravention or proposed contravention of an outworker term)

(66) Schedule 16, item 16, page 180 (cell at table item 39, column headed “Civil remedy provision”), omit the cell, substitute:
2(1) (in relation to a contravention or proposed contravention of an outworker term)

(67) Schedule 16, item 16, page 180 (cell at table item 40, column headed “Civil remedy provision”), omit the cell, substitute:

2(2) (in relation to a contravention or proposed contravention of a collective agreement-based transitional instrument other than a contravention or proposed contravention of a term that would be an outworker term if it were included in an award-based transitional instrument)

(68) Schedule 16, item 16, page 180, after table item 40, insert:

40A 2(2) (in relation to a contravention or proposed contravention of a term in a collective agreement-based transitional instrument that would be an outworker term if it were included in an award-based transitional instrument)

(a) an employee;
(b) an employer;
(c) an employee organisation;
(d) an inspector

(a) the Federal Court;
(b) the Federal Magistrates Court;
(c) an eligible State or Territory court

60 penalty units

(69) Schedule 16, item 16, page 185 (table item 60, column 1), omit “15”, substitute “15(1)”.

(70) Schedule 16, item 16, page 185 (table item 61, column 1), omit “15(1)”.

(71) Schedule 16, item 16, page 185 (at the end of the table), add:

(a) a transferring transitional employer;
(b) an employee organisation;
(c) an inspector

(a) the Federal Court;
(b) the Federal Magistrates Court

60 penalty units

(72) Schedule 16, item 16, page 185 (line 2), omit “38, 39, 48, 60 and 61 in subitem (1)”, substitute “38, 39, 40, 40A 48, 60 and 61 in subitem (1), and the operation of subsections 540(3) and (4) of the FW Act in relation to those table items”.

(73) Schedule 17, item 12, page 193 (line 21), omit “Justice”, substitute “Federal Magistrate”.

(74) Schedule 18, item 4, page 204 (lines 7 to 15), omit subitems (1) and (2), substitute:

The seniority of persons taken to be appointed as Deputy Presidents of FWA under item 1 of this Schedule is, for the purposes of section 619 of the FW Act, to be determined in accordance with the precedence assigned to them as members of the Commission under section 65 of the WR Act.

(75) Schedule 18, item 10, page 207 (line 16), omit “Additional function and power of the General Manager”, substitute “Staffing arrangements”.

(76) Schedule 18, item 10, page 207 (line 17), before “The”, insert “(1)”.

(77) Schedule 18, item 10, page 207 (after line 23), at the end of the item, add:

(2) The Fair Work Ombudsman may enter into an arrangement with the Workplace Authority Director to provide assistance to the Workplace Authority Director for the purpose of performing functions on and after the WR Act repeal day.

(78) Schedule 18, Part 2, page 208 (after line 19), at the end of the Part, add:

11A Workplace inspectors to become Fair Work Inspectors

(1) An appointment of a person as a workplace inspector that is in force under section 167 of the WR Act immediately before the WR Act repeal day has effect, for the remainder of the term of the appointment, as if it were an appointment of the person as a Fair Work Inspector under section 700 of the FW Act.

(2) An identity card issued under section 168 of the WR Act to a person covered by subitem (1) has effect, for the remainder of the person’s term of appointment, as if it were an
identity card issued under section 702 of the FW Act.

(3) Subitem (2) does not apply if the person is issued with an identity card under section 702 of the FW Act.

(79) Schedule 18, page 213 (after line 5), after item 20, insert:

**20A Report about unfair dismissal**

(1) The General Manager of FWA must prepare a written report about the first 3 years operation of the unfair dismissal system.

(2) The report must deal with the experiences employers, and in particular small and medium-sized enterprise employers, and employees have had with the unfair dismissal system.

(3) To prepare the report, the General Manager of FWA may do the following:

(a) seek public submissions;
(b) conduct surveys of employers, employees and any other persons affected by, or who have had experience with, the unfair dismissal system;
(c) hold public hearings;
(d) gather information in any other way he or she thinks fit.

(4) Where possible, the report should include:

(a) the number of unfair dismissal applications made; and
(b) the number of persons who were employed by each applicant’s employer; and
(c) the number of applicants who were employed by a small business employer; and
(d) the number of applicants employed by small business employers whose dismissals were not consistent with the Small Business Fair Dismissal Code; and
(e) the number of applicants found to have been unfairly dismissed, and of those applicants:
(i) the number whose reinstatement was ordered by FWA; and
(ii) the number awarded compensation by FWA, and the amounts of that compensation; and
(iii) the number dismissed by a small business employer; and
(f) the number of unfair dismissal applications that were made after the period of 14 days specified in paragraph 394(2)(a) of the FW Act and the number of those applications that were allowed by FWA under subsection 394(3) of the FW Act; and
(g) the number of unfair dismissal applications discontinued, and the stages at which those applications were discontinued; and
(h) the amounts of compensation paid, or the other remedies provided, when unfair dismissal applications were settled.

(5) The General Manager of FWA must give the Minister the report as soon as practicable and, in any event, within 6 months after the end of the period mentioned in subsection (1).

(6) The Minister must cause a copy of the report to be tabled in each House of the Parliament within 15 sitting days of that House after the Minister receives the report.

(7) Subsections 34C(4) to (7) of the Acts Interpretation Act 1901 apply to the report as if it were a periodic report within the meaning of that definition in subsection 34C(1) of that Act.

(8) In this item:

*applicant* means a person who has made an unfair dismissal application.

*unfair dismissal system* means Part 3-2 of the FW Act.
(80) Schedule 18, page 213, after proposed item 20A, insert:

**20B Transferred employees**

*Existing agreements to continue*

(1) This item applies if:

(a) an APS employee is moved, under paragraph 72(1)(a) of the *Public Service Act 1999*, from an old Agency to a new Agency; and

(b) the employee’s employment in the old Agency was subject to:

(i) a collective agreement; or

(ii) an AWA or pre-reform AWA (and therefore also a collective agreement which had no effect while the AWA or pre-reform AWA operated in relation to the employee).

(2) The collective agreement, AWA or pre-reform AWA, as the case requires, has effect after the move in relation to the employee’s employment as if it had been made with the Agency Head of the new Agency on behalf of the Commonwealth.

*Agency Head to determine which agreement applies to new employee*

(3) If:

(a) a new employee is employed in a new Agency; and

(b) more than one collective-based transitional instrument applies to the employment of employees in that Agency;

the Agency Head may determine that any one of those instruments applies to the employment of the new employee.

*Regulations*

(4) The regulations may provide for other matters of a transitional nature in relation to the transfer of employees from an old Agency to a new Agency.

*Definitions*

(5) In this item:

*Agency Head* has the same meaning as in the *Public Service Act 1999.*

*new Agency* means:

(a) Fair Work Australia; or

(b) the Office of the Fair Work Ombudsman.

*new employee*, in a new Agency, means an employee who was not moved to the new Agency from an old Agency as mentioned in paragraph (1)(a).

*old Agency* means:

(a) the Australian Industrial Registry; or

(b) the AFPC Secretariat; or

(c) the Workplace Authority; or

(d) the Office of the Workplace Ombudsman.

(81) Schedule 18, page 213 (after line 8), after item 21, insert:

**21A Paragraph 575(2)(d)**

Omit “4”, substitute “3”.

(82) Schedule 18, page 213, after proposed item 21A, insert:

**21B Paragraph 622(2)(a)**

Omit “3”, substitute “2”.

(83) Schedule 18, page 213, after proposed item 21B, insert:

**21C Before section 630**

Insert:

**629A Status of the President**

The President has the same status as a Judge of the Federal Court.

(84) Schedule 18, page 213, after proposed item 21C, insert:

**21D Subparagraph 654(2)(a)(i)**

Omit “that is made under this Act”.

**21E Subparagraph 654(2)(a)(ii)**

Omit “that is made or given to FWA under this Act”, substitute “given or made to FWA”.

**21F Paragraph 654(2)(b)**

Omit “made under this Act and is”.
(85) Schedule 18, page 213 (after line 8), after proposed item 21F, insert:

21G After section 796

Insert:

796A Regulations conferring functions

The regulations may confer functions on the following:

(a) FWA;
(b) the General Manager.

(86) Schedule 20, items 2 to 4, page 215 (line 19) to page 216 (line 13), omit the items, substitute:

2 General modifications of references to the Australian Industrial Relations Commission etc.

(1) Continued Schedule 6 applies as if:

(a) a reference in that Schedule to the Australian Industrial Relations Commission (or the Commission) were a reference to FWA; and

(b) without limiting paragraph (a)—a reference in that Schedule to a member of the Commission (or a Commissioner) were a reference to an FWA member; and

(c) a reference in that Schedule to the President were a reference to the President of FWA; and

(d) a reference in that Schedule to a Presidential Member were a reference to the President, or a Deputy President, of FWA; and

(e) a reference in that Schedule to a Full Bench were a reference to a Full Bench of FWA; and

(f) a reference in that Schedule to a Registrar or the Industrial Registrar were a reference to the General Manager of FWA; and

(g) from the time when FWA completes its first annual wage review:

(i) a reference in that Schedule to the AFPC were a reference to FWA; and

(ii) without limiting subparagraph (i)—a reference in that Schedule to wage-setting decisions of the AFPC were a reference to determinations made by FWA in annual wage reviews; and

(h) a reference in that Schedule to the Rules of the Commission were a reference to the procedural rules of FWA; and

(i) a reference to “this Act” (being the WR Act) in any of the following provisions of that Schedule were a reference to “this Act” as defined in section 12 of the FW Act:

(i) subclause 14(2);
(ii) paragraph 44(2)(a);
(iii) clause 70;
(iv) clause 108.

(2) Subitem (1) has effect unless the context otherwise requires and subject to the regulations.

Note: For example, paragraph (1)(a) does not apply if the reference is to something that the Australian Industrial Relations Commission did before the WR Act repeal day (or before the reform commencement).

3 Modifications relating to how FWA is to perform functions under continued Schedule 6

(1) Section 578 of the FW Act applies to the performance of FWA’s functions under continued Schedule 6 as if the reference in paragraph 578(a) to “the objects of this Act, and any objects of the part of the Act” were a reference to the objects of continued Schedule 6.

(2) Sections 589 to 597 of the FW Act do not apply to the performance of FWA’s functions under this Schedule.

4 Modifications relating to transmission of business

Continued Schedule 6 applies as if:
(a) the reference to clause 72M in:
   (i) the note to subclause 72J(2); and
   (ii) note 1 to subclauses 72K(1), (2) and (3);

(b) clause 72M were omitted; and

(c) Division 5 of Part 6A were omitted.

5 Modifications relating to general protections

(1) Continued Schedule 6 applies as if the reference in clause 19 to Part 16 were a reference to Part 3-1 of the FW Act.

(2) Continued Schedule 6 applies as if clause 107A were omitted.

6 Modifications relating to meaning of industrial action

Clause 3 of continued Schedule 6 has effect as if:

(a) note 2 to subclause 3(1) were worded as follows: “In Automotive, Food, Metals, Engineering, Printing and Kindred Industries Union v The Age Company Limited, PR946290, the Full Bench of the Australian Industrial Relations Commission considered the nature of industrial action and noted that action will not be industrial in character if it stands completely outside the area of dispute and bargaining.”; and

(b) the words in brackets at the end of subclause 3(3) were omitted; and

(c) subclause 3(4), and note 1 to subclause 3(1), were omitted.

7 Modifications relating to secret ballots

(1) The new ballots compliance provisions (see subitem (2)) apply in relation to a secret ballot ordered by FWA under continued Schedule 6 as if:

(a) the order were a protected action ballot order; and

(b) the ballot were a protected action ballot.

(2) The new ballots compliance provisions are:

(a) Subdivision E of Division 8 of Part 3-3 of the FW Act; and

(b) Part 4-1 of the FW Act; and

(c) Division 9 of Part 5-1 of the FW Act.

8 Modifications relating to right of entry

(1) Continued Schedule 6 applies as if clause 105 were omitted.

(2) Part 3-4 of the FW Act applies in relation to a continuing Schedule 6 instrument as if:

(a) a reference in that Part to a fair work instrument were a reference to a continuing Schedule 6 instrument; and

(b) Division 3 of Part 3-4 were omitted.

9 Modifications relating to employee records etc.

Continued Schedule 6 applies as if the reference in clause 107C to section 836 of the WR Act were a reference to sections 535 and 536 of the FW Act.

10 Modifications relating to compliance

Continued Schedule 6 applies as if clauses 106 and 107 were omitted.

Note 1: For the obligation to comply with continuing Schedule 6 instruments, see item 15 of Schedule 16.

Note 2: For the role of Fair Work Ombudsman and Inspectors in relation to continuing Schedule 6 instruments, see item 14 of Schedule 18.
11 Regulations may deal with other matters

The regulations may deal with other matters relating to how the FW Act applies in relation to continuing Schedule 6 instruments.

(87) Schedule 22, page 219 (after line 15), after item 11, insert:

11A Section 6 of Schedule 1 (definition of constitutional trade or commerce)

Repeal the definition.

(88) Schedule 22, page 219 (after line 28), after item 14, insert:

14A Section 6 of Schedule 1 (definition of designated Commonwealth authority)

Repeal the definition.

14B Section 6 of Schedule 1 (definition of employee)

Repeal the definition, substitute:

employer has its ordinary meaning, and includes a person who is usually such an employee, but does not include a person on a vocational placement.

14C Section 6 of Schedule 1 (definition of employer)

Repeal the definition, substitute:

employer has its ordinary meaning, and includes:

(a) a person who is usually such an employer; and

(b) an unincorporated club.

(89) Schedule 22, page 220 (after line 7), after item 16, insert:

16A Section 6 of Schedule 1 (paragraphs (a) and (b) of the definition of federal system employee)

Repeal the paragraphs, substitute:

(a) a national system employee within the meaning of section 13 of the Fair Work Act; or

16B Section 6 of Schedule 1 (paragraph (c) of the definition of federal system employee)

Omit “either or both of the ways mentioned in paragraphs (a) and (b)”, substitute “the way mentioned in paragraph (a)”. 

16C Section 6 of Schedule 1 (definition of federal system employer)

Repeal the definition, substitute:

federal system employer means a national system employer within the meaning of section 14 of the Fair Work Act.

16D Section 6 of Schedule 1 (definition of flight crew officer)

Repeal the definition.

(90) Schedule 22, page 220 (after line 26), after item 22, insert:

22A Section 6 of Schedule 1 (definition of maritime employee)

Repeal the definition.

(91) Schedule 22, page 222 (after line 1), after item 32, insert:

32A Section 6 of Schedule 1 (definition of waterside worker)

Repeal the definition.

(92) Schedule 22, page 222 (after line 12), after item 37, insert:

37A Subparagraph 18C(3)(c)(i) of Schedule 1

Omit “either or both of the ways mentioned in paragraphs (a) and (b)”, substitute “the way mentioned in paragraph (a)”. 

(93) Schedule 22, page 222, after proposed item 37A, insert:

37B Paragraph 18D(1)(a) of Schedule 1

Omit “paragraphs (a) to (g) of the definition of federal system employer in section 6”, substitute “paragraphs (a) to (f) of the definition of national system employer in section 14 of the Fair Work Act”.
37C Paragraph 18D(3)(a) of Schedule 1
Omit “federal system employer in section 6”, substitute “national system employer in section 14 of the Fair Work Act”.

37D Paragraph 18D(3A)(a) of Schedule 1
Omit “paragraph (b) or (c)”, substitute “paragraph (c)”.

(94) Schedule 22, page 222 (before line 13), before item 38, insert:

37E After section 26 of Schedule 1
Insert:

26A Validation of registration
If:
(a) an association was purportedly registered as an organisation under this Act before the commencement of this section; and
(b) the association’s purported registration would, but for this section, have been invalid merely because, at any time, the association’s rules did not have the effect of terminating the membership of, or precluding from membership, persons who were persons of a particular kind or kinds; that registration is taken, for all purposes, to be valid and to have always been valid.

(95) Schedule 22, page 222 (after line 24), after item 40, insert:

40A After section 171 of Schedule 1
Insert:

171A Cessation of membership if member is not an employee etc.
(1) If a person is a member of an organisation and the person is not, or is no longer:
(a) if the organisation is an association of employers—a person of a kind mentioned in paragraph 18A(3)(a), (b), (c) or (d); or
(b) if the organisation is an association of employees—a person of a kind mentioned in paragraph 18B(3)(a), (b), (c) or (d); or
(c) if the organisation is an enterprise association—a person of a kind mentioned in paragraph 18C(3)(a), (b), (c) or (d); the person’s membership of the organisation immediately ceases.

(2) Subsection (1) has effect despite anything in the rules of the organisation.

(96) Schedule 22, page 222 (before line 25), before item 41, insert:

40B Paragraph 230(2)(b) of Schedule 1
After “under”, insert “section 171A, or under”.

(97) Schedule 22, item 49, page 225 (line 10), after “employee”, insert “,” or who is in a class of employees prescribed by the regulations”.

(98) Schedule 22, page 226 (after line 5), after item 50, insert:

50A After section 353 of Schedule 1
Insert:

353A Representation in proceedings in the Fair Work Division of the Federal Court and Federal Magistrates Court
(1) This section applies in relation to a proceeding in the Fair Work Division of the Federal Court, or of the Federal Magistrates Court, other than:
(a) a proceeding in relation to an appeal under section 565 of the Fair Work Act; or
(b) a proceeding in relation to an offence against a law of the Commonwealth.

(2) Subject to subsection (4), a party to the proceeding that is an organisation may be represented by:
(a) a member, officer or employee of the organisation; or
(b) a member, officer or employee of a peak council to which the organisation is affiliated.

(3) Subject to subsection (4), a party to the proceeding that is not an organisation may be represented by:

(a) a member, officer or employee of an organisation of which the party is a member; or

(b) a member, officer or employee of a peak council to which an organisation of which the party is a member is affiliated.

(4) If the proceeding is a proceeding in relation to a question of law referred to the Federal Court under section 608 of the Fair Work Act, a party to the proceeding may only be represented as permitted by subsection (2) or (3) if the Court grants leave.

(5) In this section:

party includes an intervener.

(99) Schedule 22, item 55, page 227 (lines 9 to 20), omit the item, substitute:

55 Section 6 of Schedule 1

Insert:

federal counterpart has the meaning given by section 9A.

(100) Schedule 22, page 228 (after line 3), after item 58, insert:

58A After section 9 of Schedule 1

Insert:

9A Meaning of federal counterpart

(1) For the purposes of this Act, a federal counterpart for a particular association of employers or employees registered under a State or Territory industrial law is an organisation prescribed by the regulations to be a federal counterpart of that association.

(2) For the purposes of this Act, if subsection (1) does not apply in relation to a particular association of employers or employees registered under a State or Territory industrial law, a federal counterpart for the association is:

(a) an organisation that has a branch (including a division of such a branch or a constituent part of such a branch) in that State or Territory that has or purports to have:

(i) substantially the same eligibility rules as the association; and

(ii) a history of integrated operation with the association; or

(b) if paragraph (a) does not apply—an organisation of which the association has purported to function as a branch (including a division of a branch or a constituent part of a branch).

(101) Schedule 22, page 232 (after line 1), after item 79, insert:

79A Clause 6 of Schedule 10

Before “The”, insert “(1)”.

(102) Schedule 22, item 82, page 232 (lines 8 to 13), omit the item, substitute:

82 Subparagraphs 6(c)(i) and (ii) of Schedule 10

Repeal the subparagraphs, substitute:

(i) unless subparagraph (ii) or (iii) applies—the fifth anniversary of the commencement of Part 2 of Schedule 22 to the Fair Work (Transitional Provisions and Consequential Amendments) Act 2009; or

(ii) if FWA grants the association an extension under subclause (2) of this clause and subparagraph (iii) does not apply—the sixth anniversary of that commencement; or

(iii) if FWA grants the association a further extension under subclause (3) of this clause—the seventh anniversary of that commencement.

82A At the end of clause 6 of Schedule 10

Add:
(2) FWA may, on application by a transitionally recognised association, grant the association an extension for the purposes of subparagraph (1)(c)(ii) if FWA is satisfied that the association has made progress towards:
(a) becoming an organisation; or
(b) rationalising its internal affairs with those of its federal counterpart.

(3) FWA may, on application by a transitionally recognised association, grant the association a further extension for the purposes of subparagraph (1)(c)(iii) if FWA is satisfied that:
(a) the association has made further progress towards:
(i) becoming an organisation; or
(ii) rationalising its internal affairs with those of its federal counterpart; and
(b) there are extenuating circumstances justifying the further extension.

(103) Schedule 22, item 89, page 238 (line 13), after “dispute”, insert “(including a threatened, impending or probable dispute)”.

(104) Schedule 22, item 96, page 242 (lines 20 to 22), omit the item.

(105) Schedule 22, items 102 and 103, page 243 (lines 10 to 15), omit the items.

(106) Schedule 22, item 187, page 251 (lines 10 to 12), omit the item.

(107) Schedule 22, items 189 and 190, page 251 (lines 16 to 21), omit the items.

(108) Schedule 22, items 193 and 194, page 252 (lines 1 to 7), omit the items, substitute:

193 Section 6 of Schedule 1 (definition of State-registered association)
Omit “Schedule 10 to the Workplace Relations Act”, substitute “Schedule 1”.

194 Section 6 of Schedule 1 (definition of vocational placement)
Omit “the Workplace Relations Act”, substitute “the Fair Work Act”.

(109) Schedule 22, item 627, page 296 (lines 6 to 10), omit the item, substitute:

627 Transitionally registered associations
For the purposes of the Fair Work (Registered Organisations) Act 2009, an association that, immediately before the commencement of this item, was a transitionally registered association is taken, on that commencement, to be a transitionally recognised association.

(110) Page 296 (after line 10), at the end of the Bill, add:

Schedule 23—Other amendments of the FW Act

Fair Work Act 2009

1 At the end of section 3
Add:
; and (g) acknowledging the special circumstances of small and medium-sized businesses.

2 Section 12 (definition of civil remedy provision)
Omit “subsection 539(1)”, substitute “subsections 539(1) and (3)”.

3 Section 63
Before “A”, insert “(1)”.

4 Section 63 (note)
Repeal the note, substitute:

(2) The terms of a modern award or enterprise agreement may provide for average weekly hours that exceed the hours referred to in paragraph (1)(a) or (b) if the excess hours are reasonable for the purposes of subsection 62(1).

Note: Hours in excess of the hours referred to in paragraph (1)(a) or (b) that are worked in a week in accordance with averaging terms in a modern award or enterprise agreement (whether the terms comply with subsection (1) or (2)) will be treated as additional hours for the purposes of section 62. The averaging terms will be relevant in de-
termining whether the additional hours are reasonable (see paragraph 62(3)(i)).

5 Section 64
Before “An”, insert “(1)”.

6 Section 64 (note)
Repeal the note, substitute:

(2) The agreed averaging arrangement may provide for average weekly hours that exceed the hours referred to in paragraph (1)(a) or (b) if the excess hours are reasonable for the purposes of subsection 62(1).

Note: Hours in excess of the hours referred to in paragraph (1)(a) or (b) that are worked in a week in accordance with an agreed averaging arrangement (whether the arrangement complies with subsection (1) or (2)) will be treated as additional hours for the purposes of section 62. The averaging arrangement will be relevant in determining whether the additional hours are reasonable (see paragraph 62(3)(i)).

7 At the end of subsection 140(1)
Add:

Note: A person who is an employer may also be an outworker entity (see the definition of outworker entity in section 12).

8 Subsection 312(2)
Repeal the subsection (not including the heading), substitute:

(2) Each of the following is a named employer award:

(a) a modern award (including a modern enterprise award) that is expressed to cover one or more named employers;

(b) a modern enterprise award that is expressed to cover one or more specified classes of employers (other than a modern enterprise award that is expressed to relate to one or more enterprises as described in paragraph 168A(2)(b)).

Note: Paragraph 168A(2)(b) deals with employers that carry on similar business activities under the same franchise.

9 Part 2-9 (heading)
Repeal the heading, substitute:

Part 2-9—Other terms and conditions of employment

10 Paragraph 411(c)
Omit “; and”, substitute “.”.

11 Paragraph 411(d)
Repeal the paragraph.

12 At the end of Subdivision C of Division 2 of Part 3-3 of Chapter 3
Add:

416A Employer response action does not affect continuity of employment

Employer response action for a proposed enterprise agreement does not affect the continuity of employment of the employees who will be covered by the agreement, for such purposes as are prescribed by the regulations.

13 Subsection 539(2) (cell at table item 2, column headed “Civil remedy provision”)
Repeal the cell, substitute:

45 (other than in relation to a contravention or proposed contravention of an outworker term)

14 Subsection 539(2) (cell at table item 3, column headed “Civil remedy provision”)
Repeal the cell, substitute:

45 (in relation to a contravention or proposed contravention of an outworker term)

15 Subsection 539(2) (cell at table item 4, column headed “Civil remedy provision”)
Repeal the cell, substitute:
50 (other than in relation to a contravention or proposed contravention of a term that would be an outworker term if it were included in a modern award)

16 Subsection 539(2) (after table item 4)

Insert:

Subsection 539(2) (after table item 4)

Insert:

17 At the end of section 539

Add:

(3) The regulations may provide that a provision set out in the regulations is a civil remedy provision.

(4) If the regulations make provision as mentioned in subsection (3):

(a) the regulations must set out:

(i) the persons who would be referred to in column 2; and

(ii) the courts that would be referred to in column 3; and

(iii) the maximum penalty that would be referred to in column 4; of the table in subsection (2) if there were an item for the civil remedy provision in the table; and

(b) this Part has effect as if the matters referred to subparagraphs (a)(i) to (iii) were set out in such an item in the table.

Note: See section 798 for limits on the penalties that may be set out in the regulations.

18 Subsection 540(2)

Omit “(other than an outworker term)”.

19 Subsection 540(3)

Omit “to items 4, 7 and 14 in the table in subsection 539(2).”, substitute:

to:

(a) items 4, 7 and 14 in the table in subsection 539(2); or

(b) a contravention or proposed contravention of:

(i) an outworker term in a modern award; or

(ii) a term in an enterprise agreement that would be an outworker term if it were included in a modern award.

20 Subsection 540(4)

Omit all the words after “proposed contravention”, substitute:

of:

(a) an outworker term in a modern award; or

(b) a term in an enterprise agreement that would be an outworker term if it were included in a modern award; only if the employee organisation is entitled to represent the industrial interests of an outworker to whom the term relates.

21 Subsection 558(2)

Omit “referred to in the relevant item in column 4 of the table in subsection 539(2) for contravening”, substitute “that a court could have ordered the person to pay under section 546 if the court was satisfied that the person had contravened”.

22 Subsections 799(3) and (4)

Repeal the subsections.

Note: The heading to subsection 799(3) is deleted.

The Fair Work (Transitional Provisions and Consequential Amendments) Bill 2009 was introduced into parliament on 19 March 2009. Upon introduction, the bill was referred to the Senate Standing Committee on Education, Employment and Workplace Relations, which tabled its report on 7 May. The government is proposing amendments to the bill, a number of which respond to recom-
mendations outlined in the Senate committee report. The remainder of the amendments are largely technical and include a number of amendments to the Fair Work Act.

The key amendments are as follows. Special low-paid workplace determinations are restricted to a very narrow set of circumstances under the Fair Work Act. I am moving an amendment noted in the explanatory memorandum. These determinations recognise that in rare cases, despite the best endeavours of the bargaining participants, bargaining has failed. It is only as a last resort that it may be appropriate for a special low-paid determination to be made in order to give low-paid, award-reliant employees access to the outcomes of a collective bargaining process for the first time and to encourage future bargaining. This is why one of the necessary criteria is that the employer must not have been previously covered by an enterprise agreement.

The transitional provisions, as currently contained in the bill, extend the definition of ‘enterprise agreement’ beyond agreements to cover agreements made under previous versions of the act, including agreements that may have been made very many years ago. The Senate committee noted that there may be cases where it would be unfair to exclude employees who were covered by an agreement made under the old system in some circumstances—for example, an agreement made a long time ago which no longer has any real bearing on the workplace.

In response to this concern, an amendment to allow Fair Work Australia to make a special low-paid workplace determination for employees covered by an agreement which has ceased to operate, but only if Fair Work Australia considers it is appropriate, having regard to the objects of low-paid bargaining, would also be subject to the limitations set out in the Fair Work Act which apply to other special low-paid workplace determinations. This means that Fair Work Australia would need to be satisfied that all other requirements for making a special low-paid workplace determination are met, including the requirements that employees are substantially on the minimum safety net and that the making of the determination will promote future bargaining between the parties. If a collective agreement has not reached its nominal expiry date or otherwise remains in operation, a low-paid determination cannot be made unless by consent of the parties. These amendments are consistent with the principles of the low-paid bargaining stream, namely to confine the arbitration, except where parties both consent, to being a once-off last resort which is available only in circumstances where the parties have historically not had the benefits of collective bargaining.

The government is moving a number of amendments to ensure that outworkers are adequately protected. For example, the amendments will ensure that existing outworker protections in transitional instruments are maintained when an enterprise agreement or modern award is made and an employee organisation will be able to enforce outworker terms in new and existing agreements. This is irrespective of whether the employee organisation is covered by the agreement.

These amendments are consistent with certain recommendations made by the Senate committee. Amendments are being moved in relation to the transfer of staff to the new Fair Work institutions. Staff members in the Workplace Relations Act institutions have their terms and conditions of employment covered by a range of industrial instruments. Some will survive the machinery of government changes while others will not. Amendments are being moved that will ensure con-
tinuity and certainty of terms for staff transferring to the new Fair Work institutions.

In the Senate committee processes some stakeholders suggested that Fair Work Australia should be able to commence modernising enterprise instruments prior to January 2010. The government agrees that this would be desirable and the amendments will enable Fair Work Australia to receive applications to make a modern enterprise award or to terminate an existing enterprise instrument from 1 July 2009. The process for dealing with such an application will be a matter for Fair Work Australia. For example, in some cases, Fair Work Australia may decide that it is necessary to await the finalisation of the related modern award. However, any modern enterprise award or decision to terminate an existing enterprise instrument will not come into effect until the new modern award system commences on 1 January 2010.

I have a further, short contribution that I understand the opposition does not object to. I have been outlining the major amendments moved by the government. Can I also go to some amendments involving registered organisations. The government will move a range of technical and minor amendments relating to registered organisations. These include validation of the registration of organisations that were registered without a purging rule; clarification that representation orders can be made with respect to threatened impending or probable disputes—another suggestion put forward by the Senate committee of inquiry; flexibility for Fair Work Australia to extend the recognition of transitionally recognised associations for up to two years in limited circumstances; and representation rights so that the registered employer and employee organisations can represent themselves and their members in the proceedings before the Fair Work Divisions of the courts—again, as recommended by the Senate committee.

Mr Deputy Speaker Washer, I can see that you are excited by that range of amendments! They are the major amendments the government is moving. Mr Deputy Speaker, you may also be interested to know that there are a number of technical and minor amendments to improve the bill and to ensure that it operates as intended. It is not my intention to go to each of these amendments individually. I could, but I know that you are a quick study and you will be across the amendments by now. But for those with a particular interest, these amendments include requiring the Australian Industrial Relations Commission to take account of the state of the national economy in completing award modernisation, preserving the existing interaction rules between transitional instruments and state and territory laws, and provision for a review of the first three years of operation of the new unfair dismissal system. Apparently there is some interest in one of those amendments, but obviously, since both the government and the opposition voted for the government’s first piece of workplace relations legislation, which started the award modernisation journey, there has been an event of some significance in global markets. It is called the global recession. Liberal Party members opposite may choose to think about that.

Beyond those amendments there are a small number of amendments to the Fair Work Act also being moved by the government in this bill, including modification to the definition of ‘named employer award’ to ensure that employees that are covered by these awards will retain their entitlements if the award transfers to a new employer; and the addition of a further clause in the objects of the act that acknowledges the special circumstances of small- and medium-sized employers. I commend the amendments and the bill to the House.
Mr KEENAN (Stirling) (5.48 pm)—The coalition believes that these amendments are reasonably uncontroversial. Importantly, they actually pick up and fix some of the problems that we and others have identified within the Fair Work (Transitional Provisions and Consequential Amendments) Bill 2009, and particularly ones that were raised during the Senate inquiry.

We have flagged previously that there would be problems with union demarcation disputes and a return to the days of turf wars from the Fair Work Act. This will undoubtedly be the case, as we see a return to the bad old days of unions fighting amongst themselves, disrupting workplaces, adversely affecting productivity and making workplaces a battleground. Clearly that is a bad outcome for Australian employers and employees. The government has now realised the problem it has created and they have tried to fix it by making clear that a dispute no longer has to exist as a precondition to obtaining a union representation order. This mirrors what the coalition wanted to do, but of course they did not go as far as our amendment, and, sadly, this bill will be worse off for it.

Amendments are also made by the government clarifying concerns raised about the ability to commence enterprise instrument modernisation before modern awards commence in 2010, again rectifying a deficiency. Provisions dealing with the transfer of staff from institutions under the existing system to the new super bureaucracy of Fair Work Australia are also sensible, notwithstanding the mammoth size, model of inefficiency and confusion that Fair Work Australia is destined to become. There are other technical matters that the Deputy Prime Minister addressed. I do not intend to go into them. The opposition will not be opposing these amendments and the business of the House can proceed.

Question agreed to.
Bill, as amended, agreed to.

Third Reading
Ms GILLARD (Lalor—Deputy Prime Minister) (5.51 pm)—by leave—I move:
That this bill be now read a third time.
Question agreed to.
Bill read a third time.

FAIR WORK (STATE REFERRAL AND CONSEQUENTIAL AND OTHER AMENDMENTS) BILL 2009
Second Reading
Debate resumed from 27 May, on motion by Ms Gillard:
That this bill be now read a second time.
Question agreed to.
Bill read a second time.

Third Reading
Ms GILLARD (Lalor—Deputy Prime Minister) (5.52 pm)—by leave—I move:
That this bill be now read a third time.
Question agreed to.
Bill read a third time.

FAIRER PRIVATE HEALTH INSURANCE INCENTIVES BILL 2009
Cognate bills:
FAIRER PRIVATE HEALTH INSURANCE INCENTIVES (MEDICARE LEVY SURCHARGE) BILL 2009
FAIRER PRIVATE HEALTH INSURANCE INCENTIVES (MEDICARE LEVY SURCHARGE—FRINGE BENEFITS) BILL 2009
Second Reading
Debate resumed.
Mr CIOBO (Moncrieff) (5.54 pm)—I am certainly pleased to have the opportunity to speak to the Fairer Private Health Insurance
Incentives (Medicare Levy Surcharge) Bill 2009 and cognate bills because, contrary to the titles, this legislation is not about fairer private health insurance at all. There are only two parties, the Liberal Party and the National Party, who will stand up for private health insurance in this parliament. The only people with the form and the track record of delivering for Australians through an incentives scheme to ensure that those who can afford to provide for their own private health insurance do provide for it are the coalition. We know that the great pretenders, who sit on the government benches, for quite a while ahead of the last federal election claimed to the Australian people, falsely, that they would stand up for private health insurance. The Prime Minister promised on 22 September 2007:

A Rudd Labor Government will retain the Medicare safety net as Australian working families have come to rely on it for help with their family budgets.

He also promised to not do anything to attack the 30 per cent rebate. But what do we see after only 18 months of the Australian Labor Party in government? We see the same ideological attack dogs in the Australian Labor Party going for the jugular of private health insurance and the Medicare safety net. We know that the Australian Labor Party have an ideological problem with private health insurance. I guess this was most accurately reflected upon by Graham Richardson, a former Labor health minister and a man who understands the importance of private health insurance incentives. After he lost office he remarked:

On Labor’s side, of course, they simply do not want to acknowledge that private health care matters. There is an ideological bent here that says, “Medicare is perfect,” which is ridiculous. “Therefore, it cannot be changed,” which is also ridiculous. “Therefore, nothing should be done about private health,” which is also ridiculous because the one thing they do not want to acknowledge is that private health insurance matters.

Those are the words of a former Labor health minister, a man who intimately understands the beating ideological heart of the Australian Labor Party. The government have dictated, under reforms and broken promises delivered in the last federal budget, that they will do what they can to effectively destroy private health insurance in this country.

For my constituents in Moncrieff this legislation is galling. About 55 per cent of constituents in my electorate have private medical insurance. About 72,000 residents in my electorate have private health insurance—that is, 16,000 families. Those people are taking the pressure off the public health system. We all know that in Queensland, thanks to the complete economic mismanagement of the Queensland Labor government, the public health system is very poor. I cannot possibly even estimate the number of times I have read in local media that the Gold Coast Hospital has been put on bypass because it simply cannot cope with the demand for the public hospital system. That is one of the key reasons the former coalition government had as a fundamental plank of policy the belief that Australians should be provided with the incentive to have private medical insurance if they can afford it, because on this side of the chamber we understand that every Australian in the private medical system eases the strain on the public system. Those opposite in the government never want to acknowledge that fact.

From speaking to my constituents and people as I move around my electorate I know about their sheer concern that, as a consequence of Labor’s changes and as a consequence of the bill before the House today, we will see thousands of people in my electorate alone pushed off the private health insurance system into the public system. So I say to all Gold Coasters: if you think you
have a problem with the Queensland public health system now, if you think that the Gold Coast Hospital cannot cope with the demand on its services now, you have not seen anything, because under the Australian Labor Party’s reforms that are before this House today you are about to see a swamping of the public health system by millions of Australians across the board, who are, as far as I am concerned, going to effectively completely destroy the timeliness of public health, to the extent that it exists now.

In my own electorate there are some 2,771 people who are currently awaiting surgery at the Gold Coast Hospital. What is going to happen to those waiting lists, which the Prime Minister so earnestly promised ahead of the last federal election he would take care of? His words, ‘The buck stops with me,’ still ring in my ears. The Labor Party tried to pretend that they would not harm private health insurance, that they were a friend of private health insurance and that the Prime Minister had a plan to fix the public health system. And what do we see now? The proof is in the pudding as we see the Prime Minister has no plan. He has attacked private health insurance and is in fact going to make public hospital queues completely blow out. That is what the Australian Labor Party have proposed and are executing with these bills before the House today, which will ultimately cost thousands of people on the Gold Coast their private medical insurance.

At the margin, we know the Labor Party like to claim that they are simply changing the thresholds to ensure that only the wealthy no longer receive the subsidy—that only the wealthy no longer receive a rebate. That is the claim the Labor Party like to use, that is what their focus group tested and that is what the spin doctors are telling them: ‘Look, put that out there; let’s keep the whole class warfare thing going.’ That is the Australian Labor Party’s perspective: let us say that this is only about making sure that taxpayers do not subsidise the rich. But the reality is that as private health insurance has fewer people in it, premiums will go up and as premiums start to go up fewer people will have the incentive to stay in the private health insurance system. So we start a downward spiral similar to that the Labor Party last presided over, which saw private health insurance coverage in this country collapse to 30 per cent.

That is Labor’s form; that is Labor’s track record. I predict that will again be the consequence of this very myopic Labor Party policy. As more people leave private health insurance, premiums will increase and the more premiums increase the more people will leave. The more people leave, the more people will be on public hospital queues and the longer the waiting lists will be. That is an undeniable reality and a consequence of this policy change that the Labor Party has before the House today.

It is only the coalition that is prepared to draw a line in the sand and say we will stand up for private health insurance. The Labor Party likes to claim that the coalition does not have a plan or a policy. We could not have spelt it out any more simply for the Labor Party. This side of the House takes very seriously our commitment to private health and our commitment to the public system, which ultimately we are defending by standing up for the private health insurance rebate.

I notice the member for Brisbane laughing. Does he deny that as more people leave private health insurance the public hospital queues are going to blow out? Is that seriously the position put forward by the Labor Party? As a million people leave private health insurance and move to the public system, the public system is just going to cope remarkably, is it? No response. The Australian Labor Party know that their myopic policy is basically the same policy that de-
stroyed public health in this country in the early 1990s. It is the same ideological gutting of private health that they are seeking to do by introducing this bill into the parliament today.

I will spell it out as indeed the shadow minister for health has spelt it out, as indeed the Leader of the Opposition has spelt it out. The Labor Party have a measly mouthed approach to policy—their so-called assault on the rich because it suits them to spin it that way. What the Labor Party should do is adopt the coalition’s proposal. As the Leader of the Opposition outlined in his budget-in-reply speech, we would offset the cost of this and retain the rebate in place and retain the Medicare safety net by ensuring that we increase tobacco excise by 12.5 per cent. This 12.5 per cent increase in the excise, roughly 3c a cigarette, is a positive health measure that directly addresses the single biggest cause of preventable death and disease in Australia and also ensures that adequate funds flow to retain the private health system as it currently stands. That is the only way; that is the only assurance I can give to the 72,000 people in my electorate who are going to be left hanging in the breeze as a result of the reforms that the Labor Party is putting forward. That is the only way that we can ensure that they retain their private and affordable coverage and that we do not see hospital waiting lists blow out under the Australian Labor Party as they have so many times.

These are bad public policy changes. The legislation is a gateway to Australia going back to a very flawed and failed public health system that turfs so many Australians, probably millions over the longer term, onto the public health system. In my own home state of Queensland the pathetic state Labor government has racked up $74 billion worth of debt and is having a fire sale of assets. Today the Queensland government announced the axing of the 8.5c fuel subsidy because they are so desperate for cash. That is the tier of government that ultimately has responsibility for the Queensland public health system. And this government is going to drive tens of thousands if not hundreds of thousands of people in my state onto the public system. It is an indictment on the Australian Labor Party. They should come clean about what they are doing and they should just confess that their ideological bent and pathological commitment to destroying private health insurance is nothing except a step in the wrong direction.

Mr BEVIS (Brisbane) (6.06 pm)—It had not been my intention to speak in this debate on the Fairer Private Health Insurance Incentives Bill 2009 and cognate bills. I did make some comments on these matters in the Main Committee during the course of the debate on the appropriation bills and I had not intended to enter this debate. However, there have been so many people in this debate from the opposition who have made assertions based on a total absence of the facts that it compels me to once again make some of these points on the record. The first thing that I want to make clear, as a statement of potential conflict of interest, is that I am now and have throughout my adult life been a member of a private health insurance fund. I joined when I was still a student and I have been a continuous member of a health fund all of that time.

I think uniquely in this parliament, I have also spent about a decade on the board of directors of a health insurance fund. Not only have I been a consumer of the services, I have been on a board providing the service for others. So I have a fair idea of the way in which the system operates, and I have taken a keen interest over the years in the way in which support for people in the public and private health systems functions.
Sadly, the prejudice of those opposite is not supported by the facts. It is a terrible thing in politics when the facts do not support your prejudice but it is a wise person who decides to stop, consider the facts and readjust their prejudice. Hopefully, some of that will happen, although I do not hold out great hope given the performances I have heard to date.

There are two things that the former government did to try to increase the percentage of the population who were covered by health insurance. They were, firstly, to introduce a 30 per cent rebate and, secondly, to introduce lifetime health ratings. The member for Moncrieff, who has now left the chamber, made mention of the fact that under Labor the percentage of the population with health cover had fallen to about 30 per cent. Well, I have news for the member for Moncrieff. At the end of 1998, well after the election of the Howard government, the percentage of the population taking out private health insurance cover was 30.2 per cent. Under the Howard government the figure was sitting at 30 per cent.

The Howard government then decided, in January of 1999, to introduce a 30 per cent rebate on health insurance, which effectively was about a $2\frac{1}{2}$ billion payment at the time to people like me who had health insurance cover. What was the effect of that payment of $2\frac{1}{2}$ billion to people like me? How many more Australians did it encourage to take out health insurance? The answer is: virtually nil. Three months after that rebate had been put in place, in March of 1999, the percentage of the Australian population covered by private health insurance was 30.4 per cent—that is, it had risen by 0.2 per cent. There was virtually no effect on the take-up rate of private health insurance during the period after the introduction of the 30 per cent rebate. In fact, at 30.4 per cent, the take-up rate was actually the same as it had been six months earlier in September of 1998.

In September of 1998, six months earlier, the take-up rate of private health insurance was 30.4 per cent. So if you have a look at the figures three months before the rebate was introduced and three months after the rebate was introduced you find that there was absolutely no change at all. There was no change whatsoever. And even if you have a look further ahead—if you look at the end of 1999, after the rebate was in place for the whole year—and ask what the take-up rate was for private health insurance, you find that it was 31.4 per cent. At best, the most optimistic assessment—the most optimistic claims that those opposite could make—is that the private health insurance rebate encouraged one per cent of the population to take up health cover.

I made the comment at the time that those matters were before this parliament that I thought the move would have no effect, and that was based on my experience in the industry. I thought it would be a useless endeavour—that it would spend a lot of money without actually helping health funds or helping to increase the quality of health for Australians. I also made the comment that the problem that health funds have is not the premiums per se. The problem health funds have is not the percentage of take up per se. The problem they have is in the churning nature of the membership. People would often take out health insurance at the point in their lives when they thought they may have high costs of health—for example, when they were thinking of having a family. So when they were young, healthy and single they would not take out health cover. As they were contemplating having a family they would think, ‘Right, we’ll take out health cover because there are going to be some costs.’ They might take out health cover for a couple of years and then leave the health
There will be a change. That is all it is. I understand that some people are going to have to pay more for health insurance, and no government of any political persuasion likes to make constituents pay more for anything, but there are times that you have to make those tough decisions. But to argue beyond that, as the Liberals do, that this is going to create an exodus from health funds so big that it is going to force premiums up and be a burden on the public system, is not supported by any of the known facts. It is not supported by what happened when the former government introduced what was then a $2½ billion handout to people like me. I was in health insurance all my life before that handout. Hopefully, I will be in health insurance for a few years to come. That payment made no difference to me and, as it turns out, the most optimistic claim you can make is that it made a difference to one per cent of the Australian population.

But then the government did actually do something which I had mentioned in my speeches at that time, back in 1998—and that was to introduce lifetime health rating. Lifetime health rating did make a difference, because that churning effect was halted. Those people who thought, ‘I’ll hop in for a few years and then hop out, and then maybe a few years down the track I’ll hop back in,’ all of a sudden realised that if they did that after they had reached a certain age it would cost them more. So they decided, ‘If I’ve got to pay more I might as well be in for the whole time and get the benefit of the lower premiums.’

So let us have a look at what happened when health ratings were introduced. Health ratings were introduced in July of 2000. In March of 2000 the population take-up in health insurance had risen to 32.2 per cent. A part of that was a take-up in advance. So it had increased from 31.4 to 32.3, in part because people were getting ahead of the July start-up date for the lifetime health rating system. When you go to June, immediately before it kicked in—the day before it kicked in—you find that that had increased to 43 per cent. That is a huge increase. Instead of 32 per cent you now had 43 per cent covered, and by September of 2000 that had risen to 45 per cent. In fact, since then the percentage has gone down. If you look at the most recent figures you find that the take-up rate of private health cover is now around 44.5 per cent—it has gone back slightly.

My point is that lifetime health ratings have had an effect on the take-up rate and that is not affected by anything in this bill. In no way does this bill touch on those matters. What this bill touches on is the health insurance rebate. The evidence is clear. This is not a question of conjecture. This is not a question of political ideologies. It happens to be a fact that the rebate did not have a noticeable effect on the number of Australians who took out private health insurance. That is it. A Liberal member is going to hop up next. That Liberal member will have a prepared speech that probably includes all the same rhetoric that every other Liberal has hopped up about, and that Liberal member will want to repeat all those falsehoods, but I hope they understand that what they are saying is not supported by the facts. The indisputable situation is that there is no exodus from private health funds when the system was introduced. There was no massive burden on the public health system from this. There was no massive benefit from private health insurance funds when the system was introduced. Nor was there any great benefit to public health when it was introduced. There was a transfer of about $2½ billion from tax revenue to people like me. If governments want to do that, that is fine, but let
us be honest in this debate. I am tired of hearing speaker after speaker on the Liberal and National party benches hop up and simply assert things without a shred of evidence when the evidence clearly demonstrates them to be untrue.

I heard the member for Moncrieff talking about class warfare rhetoric. The final point, which I repeat in conclusion, is that the class warfare rhetoric I have heard in this debate has all been on the other side. Let us not kid ourselves. People on this side of the House, just like me, have private health insurance. I do not think there is anyone on the other side of the House who can say they were on the board of directors of a private health insurance company for a decade. I think we have probably got as much right to claim support for these people as anybody, so let us just leave the class warfare rhetoric out of the debate from here on in and have a look at the facts for a change.

Ms MARINO (Forrest) (6.17 pm)—I rise to speak on the Fairer Private Health Insurance Incentives Bill 2009 and cognate bills. These bills are simply further proof that Australians are now paying the price for the Labor government’s reckless spending and bad financial management. The bill title, which includes the phrase ‘fairer private health’, is itself a misnomer. There is nothing fair about these bills or the misleading repeated assurances by both the Prime Minister and the Minister for Health and Ageing that they would not reduce the health insurance rebate. However, the Australian people now know that they cannot trust this government and that this was just another example of the Prime Minister’s now infamous spin.

These bills cut the private health insurance rebate and at the same time increase the Medicare levy surcharge. Effectively, this is a double hit on Australians who are taking personal responsibility for their health needs by paying for private health cover. We are seeing Mr Rudd, the minister for health, Nicola Roxon, and the Labor government taking billions of dollars out of the private health system to pay for their $124 billion spending spree over the past 18 months. It is a direct and deliberate attack on both the private health system and the Australians who pay for it.

We have seen in the budget the very serious implications for the nation and for the Australian people, particularly for enterprising, hardworking families and businesses in regional Australia, including those in my electorate of Forrest. What we have in real terms is a return to the same old historic Labor governments of endless debt and deficit, now in proportions this country has never seen before. This debt and deficit is now forcing those on private health cover and their children to pay for this government’s reckless spending and its mismanagement of the economy. Those who are being forced to pay are essentially hardworking families who have taken personal responsibility, as I said, by taking out private health insurance and, in so doing, are reducing the cost and pressure on the public health system.

Why attack the health system? Why attack those with private health cover? My constituents, particularly those affected by this decision, cannot understand why the government has driven such a reversal in our economy, given that the Labor government inherited the best economic conditions of any government in the history of federal politics. In simple terms, 18 months ago we had no debt and $22 billion in budget surpluses. The deficit for 2009-10 is estimated to be $58 billion, with the net debt to grow to $188 billion by 2012 and with interest payments of at least $8 billion per year.

The budget, in effect, contains $315,000 million of peak debt and deficit by 2015-16,
all on the nation’s credit card. This supposed temporary debt and deficit is all borrowed, and now those who are paying for private health insurance will help pay for the Rudd government’s temporary debt and deficit by cuts to private health. But people in my electorate know that this $315 billion has to be paid back by hardworking families and businesses like those in Forrest—the same 79,655 people who have private health insurance and who are now paying through cuts to their private health rebate and an increase to the Medicare levy surcharge.

But those Australians in the public system who do not have private health insurance will also pay, not just the 11.1 million Australians with private health insurance, over 1.8 million of whom are aged between 20 and 35. People between the ages of 20 and 30 years have a one-in-six chance of being admitted to hospital this year, as you would know, Mr Deputy Speaker. Also, insured Australians who earn over $75,000 will pay more because of the cut to the private health insurance rebate. If they drop out of private health cover entirely, they will pay more due to the increased Medicare levy surcharge. Insured Australians who earn under $75,000 will pay more through increased premiums if the younger and healthier people drop out of private health insurance. Uninsured people in my electorate will be waiting longer in the public hospital queues for necessary treatment because of those who will drop out of the private health system or who will reduce their ancillary cover. This would mean that more people would be dependent on the public health system. Hospitals will be under even more pressure than they are now. The government’s own figures show that these changes will affect 1.7 million adults. Industry analysis shows that the changes could affect over 2.4 million Australians in total.

My constituents also understand that the interest payments alone on the government’s $315 billion of borrowings, as we have seen in the private health insurance cuts in this bill, ultimately mean there will be less funding for core government services like health. My constituents also understand that the eventual repayment of principal and interest will have to be made by our children and grandchildren. People in my electorate will now suffer from the Prime Minister and the Minister for Health and Ageing’s broken promises. The Prime Minister and minister for health repeatedly and unequivocally promised the Australian people that they would retain the existing private health insurance rebates. This is not just a broken election promise; it was a frequently repeated commitment:

The clash between public and private in the health sector is an old one that has had its day. More importantly, Labor is committed to making sure both our public and private systems can work together for the benefit of the community, and that they are of world class standard.

That was Nicola Roxon on 7 April.

On many occasions for many months, Federal Labor has made it crystal clear that we are committed to retaining all of the existing Private health Insurance rebates, including the 30 per cent general rebate and the 35 and 50 per cent rebates for older Australians.

The Liberals continue to try to scare people into thinking Labor will take away the rebates. This is absolutely untrue—

said Nicola Roxon, the shadow minister for health, in a media release dated 26 September 2007. So much for the word of the Prime Minister and the health minister. Clearly, neither can be trusted on private health insurance.

This is not a minor issue. As I said, 1.7 million Australians will be affected by these changes, facing either higher premium payments or higher tax payments through the Medicare levy, and one million of these live in households with annual incomes of less
than $26,000—the real battlers, the people who go without many basic needs just to have the security of private health insurance, people just like all of those with private cover who have taken responsibility for their own healthcare needs.

It is worth noting that private health insurance funds pay for 56 per cent of surgical procedures in Australia, and that includes 55 per cent of major procedures for malignant breast conditions, 55 per cent of chemotherapy treatments, 63 per cent of major joint replacements and 70 per cent of same-day mental health procedures. The coalition believes Australia should be a country of choice, which is why the previous coalition government increased the funding of Medicare from $6 billion to $12.5 billion—a 48 per cent increase in real terms—and increased private health insurance coverage from 34 per cent to 44 per cent. The Rudd government clearly does not understand the need for a strong, well balanced health system that supports Medicare but also encourages self-reliance through private health cover.

Western Australia has the highest rate of health cover in Australia. As I said, I have over 79,000 people with private health insurance in my electorate. So we in the west will feel the greatest impact of this decision. Those who exit private health insurance will become a greater burden on the public system in the south-west, and then the waiting lists will increase.

Health funding is a direct casualty of the Labor government’s cash handouts and reckless spending. Obstetric services, ultrasounds, reproductive technology and cataract surgery will all be affected. Women charged an average fee for private obstetric care will pay $500 more for their treatment with the proposed changes to the Medicare rebate. I quote the National Association of Specialist Obstetricians and Gynaecologists from 12 May:

Australia’s peak group of specialist obstetricians and gynaecologists today said the Government’s Federal budget announcement to wind back safety net rebates for private obstetric services will significantly affect affordability for the majority of Australian women choosing care from specialist obstetricians.

Dr Andrew Pesce, President of the National Association of Specialist Obstetricians and Gynaecologists, said this is a disappointing outcome for women who seek choice, access and affordability for pregnancy care.

Dr Pesce said although an increase in Medicare Benefits Schedule rebates will partially offset some of the financial burden and provide welcome relief for patients in regional and rural Australia, the end result for pregnant women and their families will mean significant increased out-of-pocket costs.

“If this increased burden means women can no longer afford private obstetric care, they will inevitably be forced to go over to the public hospital maternity services which are already overwhelmed and barely coping with the increased birth rate of the last five years,” Dr Pesce said.

The Australian Health Insurance Association data shows that since the 30 per cent rebate was introduced in 1999 total benefits paid by private health funds increased by 154 per cent.

The cut to the Medicare rebate for cataract surgery simply proves that the Labor government values complex precision cataract surgery at half the cost of a pair of glasses, and this ignores postoperative management, which is included in the rebate. It takes 12 years to train an ophthalmologist. Cataract surgery is extremely complex surgery with a very high level of technology and very little room for error. It is a procedure that keeps younger people in the workforce and enables people to continue driving. It prevents depression and prevents our more senior Australians from falling and breaking their hips,
as well as preventing some nursing home admissions. Anyone who has had this surgery will tell you just what an impact it had on their life. Some people say it would certainly be worth more than half a pair of glasses, and most of us value our sight as possibly the most important of our senses.

This decision by the Labor government will change specialist service delivery in regional areas. The longer term impacts of this decision may be that regional and remote communities will no longer receive ophthalmology visits or surgery. Visits will no longer be financially viable in some instances. Then the most needy and disadvantaged regional and rural communities will be the worst affected. Gap fees may increase for patients, and those who cannot afford the gap will be placed onto increasing public waiting lists. The same battlers with the least resources will be impacted the most.

I asked the minister yesterday in question time:

Given the government’s reckless cash splashes, how does the minister justify this callous measure, which will have a devastating impact on the wellbeing of thousands of Australians—mostly battlers and pensioners—and in particular those in rural Australia?

The minister’s response was, in part:

The question of cataracts is certainly something that we do not resile from at all.

The minister’s statement was not untrue at all, was it? In fact it is the minister who has misled the Australian people. The Labor government is clearly and ideologically opposed to private health insurance.

My constituents have every reason to be scared of this callous, debt and deficit, same old Labor government. It is a government that has lost control of the nation’s finances. It is clearly a government that prefers to give out cash splashes rather than maintain essential health outcomes. Not only is this an attack on the private health system; it is also an attack on the viability of small- to medium-health service businesses and enterprises in my regional electorate.

The coalition does not support any increase to the government’s $315 billion of debt and deficit, which it has admitted to at this time—which is clearly not the full extent of the debt and deficit—which is why we have offset this measure with a proposed increase of approximately 12.5 per cent in tobacco excise. This also a genuine health measure and one supported by the Heart Foundation, the Australian Medical Association and Quit executive directors. I support the amendments and oppose this legislation.

Mr RANDALL (Canning) (6.31 pm)—In order to facilitate the business of the House I will be very brief because many other speakers before me have laid out the issues quite cogently. In speaking to the Fairer Private Health Insurance Incentives Bill 2009 and cognate bills, I have noticed it is quite Orwellian in calling it a ‘fairer private health insurance’, which is about as relevant as calling someone with red hair ‘blue’.

Kevin Rudd promised he would never touch private health insurance rebates, and here they are on the scrap heap today. So it is a broken promise. This bill is evidence of the clear vision because of public health waiting lists for cataract surgery. And the Liberals’ statement was not untrue at all, was it? In fact it is the minister who has misled the Australian people. The Labor government is clearly and ideologically opposed to private health insurance.

My constituents have every reason to be scared of this callous, debt and deficit, same old Labor government. It is a government that has lost control of the nation’s finances. It is clearly a government that prefers to give out cash splashes rather than maintain essential health outcomes. Not only is this an attack on the private health system; it is also an attack on the viability of small- to medium-health service businesses and enterprises in my regional electorate.

The coalition does not support any increase to the government’s $315 billion of debt and deficit, which it has admitted to at this time—which is clearly not the full extent of the debt and deficit—which is why we have offset this measure with a proposed increase of approximately 12.5 per cent in tobacco excise. This also a genuine health measure and one supported by the Heart Foundation, the Australian Medical Association and Quit executive directors. I support the amendments and oppose this legislation.
Labor government’s preference for spin over substance. This broken promise guarantees and demonstrates that the Labor Party hates private health insurance.

The government’s plans to rip up private health insurance would only make it more expensive for those who can least afford it and stretch out the already lengthy waiting lists in public hospitals. In fact it was the former health minister under Labor Senator Graham Richardson who said, ‘Once a certain rate of private health insurance fell below a threshold, it really became an unworkable system.’ It is a pity that after they leave parliament they tell it as it is, and it is a pity the Labor Party would not listen to their previous minister.

I actually want to talk about some of the things in my electorate because they are specific and relevant. I also want to point out that the surcharge levy will essentially make sure that people opt out of the system because it will be an attraction. You can go and get free health, but what you do is force up the rates for everyone else who stays in private health; you take people out of the private health system and put them in the public health system. So you will have one under capacity and one way over capacity.

There are other things that the government have ripped apart and things they intend to do in other services. I want to point out that they will cap obstetric services, assisted reproductive technology and cataract surgery. In relation to assisted reproduction technology, as the member for Cook pointed out the other day, the Deputy Prime Minister put together a large petition as shadow health minister before the election to tell women of Australia that she was going to help and protect them so that they could get the IVF treatments. What she has done today as Deputy Prime Minister is to tear up that promise. She is disingenuous and in this case she should absolutely hang her head in shame for betraying the faith of all those women who signed that petition.

There are 81,000 residents in the electorate of Canning with private health insurance and they are going to pay a heavy price for the Rudd government’s sustained attack on private health insurance. Those covered by private health insurance in Canning represent 68 per cent of electors. Almost 13,000 singles are insured and 20,000 families are covered, and it is their choice. This is what the system did offer: choice. This choice is going to become more difficult under the Labor Party’s penalisation of people who earn over $150,000—the Labor Party hates anyone who earns that. To put that in context, if two schoolteachers, two ordinary workers, are earning salaries of $75,000 each—which is well under, I know, as many schoolteachers earn far more than that—they are going to be knocked out of this system because, combined, they will earn over $150,000, taking away the choice again. The fact is, at a time when families can ill afford it, the government has faced them with an automatic increase. As I have said before, this insurance is not for the rich; it is for the people who want to have that choice. In this case it is in health, but the Labor Party is doing it in education as well.

Recently the shadow health minister, Peter Dutton, visited the Armadale Kelmscott District Memorial Hospital with me and we had a look at the marvellous facilities there because they actually have a choice. There is a public health system and there is the Galliers private facility. That is a really good mix because it allows people to have choice within the same location. But have a guess what is going to happen to Galliers shortly when it becomes too expensive to exercise their private choice.
In order for Mr Rudd to repay the massive borrowings and return the budget to surplus, massive tax increases and big cuts in government spending are inevitable. In just 18 months the government has racked up debt heading towards $315 billion—in other words, one-third of a trillion—and a deficit of $58 billion, costing Australians $8 billion in interest a year. What is around the corner to service this debt? This is how he starts to try and claw it back. This is what it is: he has already means tested the baby bonus, he has capped family tax benefit B and he is phasing up the age pension and slashing superannuation contributions. Who knows—he probably has an agenda to up the superannuation preservation age. Meanwhile he is spending millions to get himself a seat at the UN.

The public have every right to be confused. The government do not take the Australian economy seriously. In fact they are out of control. Their control of the Australian finances is shambolic and out of control. Australia will end up paying the price on their private health insurance but they should ask themselves: what is next, Mr Rudd?

Mr NEVILLE (Hinkler) (6.37 pm)—The government’s plan to remove incentives for Australians to take up private health insurance is another nail in the coffin of Australia’s health system. The so-called Fairer Private Health Insurance Incentives Bill 2009 and its accompanying legislation actually remove incentive for most Australians and take our private health insurance into very doubtful areas. Make no mistake: these measures will impact on all Australians, not just the ones immediately affected. I will show how that will occur.

Insured Australians who earn over $75,000 a year will pay more because of the cut in the private health insurance rebate. If they drop out altogether they will still pay more due to the increased Medicare levy surcharge. Insured Australians who earn under $75,000 will pay more because of increased premiums due to the younger and healthier people dropping out. It is estimated that premiums will increase by about 10 per cent or even more a year, compared to the five and six per cent that we have seen over recent years. Uninsured Australians will be waiting longer in public hospital queues for essential treatment because of the influx of Australians from the private system to the public system. This is a no-brainer; we all know that that is going to happen, but somehow we keep our heads in the sand and pretend it is not.

The government likes to call it the carrot-and-stick approach. Because it is estimated that one million Australians will reduce their cover, there are clearly very few carrots and one almighty stick. I personally find it quite galling as I was one of the ones who got the health insurance rebate increased for people at 65 and 70; in fact, I argued in the party room for a 45 per cent rebate, but because of the cost it was kept at 35 per cent at 65 years of age and 40 per cent at 70. It has proved a boon, especially for self-funded retirees and pensioners who want to stay self-insured. Of course, it is a very confusing system that has been left since then.

Since 1996 private health insurance in my electorate has gone from 31 per cent to 42 per cent. It is a stunning outcome for a seat that is regularly described as ‘challenged’. Because of our relatively low income and relatively high unemployment, that was quite an achievement. Almost 38,500 adults living in Hervey Bay, Howard, Childers, Bundaberg and the other communities in my area have private health insurance as a priority in their personal budgets, and they work exceptionally hard to afford it, knowing that it is in their best interest. They know that holding private health insurance helps reduce the
demand on the public hospital system, and I applaud each and every constituent of mine who has made the decision to help provide for their own health care.

Under Labor’s idea of means testing the insurance rebate, these families and individuals, who already scrimp and save to pay for their private health cover, are going to be financially whacked, whether through the lower rebates or the higher premiums when those who cannot afford it drop out. The impact will be quite severe. The CEO of the Australian Private Hospitals Association, Michael Roff, described the charges as:

... a clear breach of election promises made by the Rudd Government.

He said they would:

... lead to a system that is confusing, complex and costly for those millions of Australians who take responsibility for their own health care costs.

He went on to say:

The current system of rebates is simple, transparent and easy to understand. The new proposals introduce 10 different levels of entitlement or surcharge depending on income level and age. It will be difficult for people to work out their entitlement and will create a huge administrative burden both on Government and health funds.

On the other hand we have the Minister for Health and Ageing saying these measures will provide a ‘fairer distribution of benefits’ under a ‘mixed model of balanced private and public health services’—all the while saving the government $1.9 billion over four years. The minister also thinks that only 25,000 people will drop out of private health insurance, and by her estimation this will result in 8,000 public hospital admissions over two years. I will be surprised if it is that low. In fact, she described the impact of these changes to be ‘insignificant’. I would like to agree with her, but I am sure those figures will not stack up.

The Australian Health Insurance Association has analysed the 2009 budget figures in conjunction with industry data and research conducted by Roy Morgan Research and Ipsos, and it calculates that up to a million people will either downgrade their coverage or drop out of coverage altogether because of Labor’s idea of dismantling the existing 30 per cent rebate. The AHIA has produced actual hard figures: 241,000 will drop their coverage and about 728,000 will downgrade their coverage. That is pretty close to a million. The AHIA chief executive officer, Michael Armitage, had this to say when releasing the figures:

Every Australian knows that you can’t take $1.9 billion from the pockets of people paying for their own health care by taking out private health insurance, and not have a major impact on private health insurance.

The impact of one million people leaving or downgrading their cover will mean that the premiums of everyone else remaining in private cover will have to increase, so that premium increases will also have a significant impact on those people with incomes of less than $75,000.

Clearly, the government’s decision to means test the private health insurance rebate is another example of short-sightedness when it comes to looking after the health of our fellow Australians.

The Prime Minister, who said, ‘The buck stops with me,’ promised many times during the election campaign that he would retain and protect the private health insurance rebate—and within 18 months he has broken that pledge. I have six quotes here from the health minister and the Prime Minister where they clearly say that they are going to retain the health insurance rebate, but I know we are trying to save time tonight so I will just bring one to your attention. The health minister said:
The government is firmly committed to retaining the existing private health insurance rebates. What is significant about that is that it was said on 24 February this year. At that time the government would actually have been drafting the budget. Quite frankly, I think it is disgraceful. In other words, the public were lied to, and then, when the government wanted its way, it did what it wanted to anyhow. So we now have a government that wants to slash rebates, forcing people to leave the system and pay even more for their health coverage.

What also concerns me is the health minister’s statement that there have been ‘significant developments’ and ‘positive signs of improvement’ in public hospitals. It certainly is not the case in Queensland, and it is not the case in New South Wales, as you well know, Madam Deputy Speaker Bird, because you come from a state where some of the health councils cannot pay their month-to-month bills. In Queensland in the three months to 31 December last year compared to the same quarter of 2007, Queensland hospitals experienced a 3.2 per cent increase—that is 11,744 more patients—in the number of people treated in emergency departments, a 5.9 per cent increase in the number of people admitted to hospital, an 8.4 per cent increase in the number of people admitted for same-day care and a 3.6 per cent increase in the number of people admitted for more than one day. As recently as March this year the AMAQ reported that the Queensland health system was still plagued with ongoing problems such as severe shortages of acute, emergency and overnight public hospital beds, staff shortages, high bed occupancy and declines in the standard of workplace facilities. Seriously, does that sound like a system that is on the improve?

Further, Queensland’s public hospital performance report for the December quarter of 2008 showed that more than 7,000 people were languishing on surgery waiting lists and—believe this or not—259 category 1 patients were waiting longer than 30 days for surgery. And this is the system that the Rudd government promised to fix: ‘The blame game is over. The states are in our pocket. We’re going to do all these things and everything will be sweetness and light.’ That is what we were told before the election. Look what we have got now: an even bigger mess, with tens of millions of dollars being poured into an endless bucket. How on earth can the public system cope when we are going to put up to another million people out of private health insurance into the public system?

The Bundaberg Base Hospital and its staff have gone through their fair share of trauma in recent years, and the revolving door of Queensland health ministers, all of whom have strived to defend their position, is quite sickening. As always, the statistics that are trotted out to illustrate improvements in the hospital’s staffing numbers are little more than shallow spin. Earlier this year, the then health minister, Stephen Robertson, claimed that 33 more doctors and 111 more nurses had been employed at the Bundaberg hospital since 2006, giving the impression that the hospital’s capacity had improved markedly. Sadly, there have been an additional 144 names on the payroll but they are not all working full time. For example, while there are seven anaesthetists working at the hospital, they are working an average of 6 ½ hours a week—note that: 6 ½ hours a week. The minister also boasted that there were nine—note this: nine—paediatric specialists at Bundaberg hospital. But he failed to report that they were working an average of 6½ hours a week—note that: 6½ hours a week. The minister also boasted that there were nine—note this: nine—paediatric specialists at Bundaberg hospital. But he failed to report that they were working an average of 156 minutes—that is 2½ hours—a week. I will wind up on this point because I understand we want to keep the contributions in this debate short. So, to summarise, what I would like to see is the staff numbers put out by Queensland Health reduced to full-time
equivalents. I think they would then be em-barrassingly low.

In saying all these things, I want to make one thing very clear. I do not reflect in any way on the dedicated staff of the Bundaberg hospital, especially the medical and nursing staff and ancillary staff. They put in a superb effort. My argument is for their hospital to be granted appropriate staff resources and facilities so that it can function properly. If ever a hospital in Australia has had a bad time since the start of the Patel era, Bundaberg has. It deserves special attention. Back in 2006 the state Labor government promised a $4.1 million upgrade to the hospital in the wake of the ‘Dr Death’ scandal. But, since then, the Queensland Labor government has only budgeted $9 million of the works over the last two state budgets, so the job that was meant to be completed early in 2008 is clearly going to be many years behind schedule. Although there is talk of another tranche of work to start shortly, we are already 17 to 18 months behind on the government’s promise. Meanwhile, the population of Bundaberg and surrounding areas continues to grow. It is much the same in the other parts of my electorate, with Hervey Bay facing challenges. I think Labor have a lot to answer for. They promised a new era of health care. All we have seen are cutbacks and a pathetic lack of performance by their state colleagues.

Mr Oakeshott (Lyne) (6.51 pm)—I rise to speak on this package of legislation, the Fairer Private Health Insurance Incentives Bill 2009 and related bills. Of the first two points that I would like to make, the first is procedural as to the naming of the bills. This is the second package of legislation before us today—the first was the Fair Work (Transitional Provisions and Consequential Amendments) Bill 2009 package—to reflect fascination with the use of ‘fair’ or ‘fairer’ in the naming of legislation. I think many in the community would suggest that that is for them to decide, not for government to tell them through the language used in these packages. When we are seeing in this par-ticular legislation before us rebates down and surcharges up, the use of the word ‘fairer’ has a fair element of audaciousness about it.

The second point concerns the time frame, in that the date of effect is 1 July 2009, only 30 days away. As a purist as to parliamentary processes, it would be nice to see healthy debate—and also respect for the parlia-ment—well in advance of legislation going through this place. Respect should be given to all members and to the role that the parliament plays in deciding on and potentially amending legislation. I note the issue of the alcopops tax. Even though I am supportive of the government position, the financial implications of the role that the parliament played, when the timing of the passage of the legislation did not marry up with some fi-nancial implications, should be a stark re-minder, I hope, to everyone that the parlia-ment deserves respect, with legislation being presented well in advance of potential dates of implementation.

As far as the legislation before us is con-cerned, it touches on two questions. The first is the universality of public health generally in Australia and the second goes to revenue. On the first question, the role that private health insurance plays in Australia, I would hope it is broadly agreed by every member of this place representing every constituency or political party that universal free health is not and never was intended as a system of delivery of health within Australia. Even the architects, Graham Richardson and Paul Keating, talked about the need for a private health package in the delivery of universal health care, which is almost a mythical term in the delivery of health care in Australia and one that I think needs to be taken out of the language by anyone in a public position
when talking about the delivery of health care. We do need a private health system to make the public health system work within this country. It is a fine balancing act and any changes are therefore sensitive. I will certainly be adopting a very close watching brief in regard to the implications of changes such as those in this package for that very fine balancing act between the private and the public systems within Australia. We are hearing healthy debate over this legislation from both sides of the chamber as to the implications as to how many people will be staying in and how many people will be leaving and the flow-on implications for the public system. I will certainly be watching very closely. I think the question can really only be answered as time passes as to whether the pressures being placed on the public health system as a consequence of these changes are acute and therefore unwelcome as part of the budget package that has been put forward by the government.

We in the area of the mid-North Coast have lived and breathed this issue of private versus public, and it has been an incredibly divisive issue for the community of Port Macquarie in particular. For anyone who has followed the health debate, the Port Macquarie Base Hospital was the first and really only privately run public hospital to be delivered in Australia and there were a whole range of both positive and negative consequences of what I have referred to as that fine balancing act. In February 2005 that hospital was bought back and reconnected to the public health system. Again, there are positives and negatives from that reconnection to the public system. One of the unique benefits that has been left for our region is that we have 35 specialists who have based themselves in Port Macquarie and are delivering a standard of specialist health care that is the envy of most regions in Australia. The reason for that is that, when it was a privately run public hospital, there was a fair bit of autonomy on the part of CEOs and decision makers within the range of companies that ran the hospital at various times. That allowed for some decisions to be made quickly in the placing and the buying of specialist services for our community. We now have a really good collegiate feel among our medical specialists. As I said previously, ours is the envy of regional Australia, particularly as to the number of specialists.

It is a fine balancing act, though, so, once again, any changes can upset all that, in what is a pretty skinny market that we and specialists work in in the delivery of health care in a regional centre. Whilst changes may quite often be made in considering some great packages that metropolitan specialists are on, I would hope consideration is also given to this high-wire act of the delivery of health care in regional areas. Now that the hospital is back in the public health network, we have got these specialists largely working on rotation among three local public hospitals—Kempsey, Wauchope and Port Macquarie—as well as balancing that with their own private lists. Once again I will be talking with and listening to those specialists and with health administrators as to the implications of changes such as these and the various changes to the costs in the delivery of various services. Cataract service delivery in particular is one that has already arisen in my regional centre. Whilst certainly allowing the government their mandate, we will be watching the effect of this range of changes that we are seeing in the budget very closely and we will be listening very closely. If it does jeopardise the delivery of health care in what is a very sensitive health delivery environment on the mid-North Coast of New South Wales, this is a conversation we will continue to have with the government of the day and hopefully we will see this issue addressed in the future.
The question of pressures on public health also fits under that same banner, largely because of the failings of some state government budgets. High-growth areas are not seeing physical infrastructure keep pace with the demands that are being placed on the public health system in New South Wales, and on the North Coast in particular. To make my point: the Port Macquarie Base Hospital was built in 1992 for a maximum capacity of presentations to the emergency department of 14,000 people per year. Last year it had over 30,000 presentations. So the maximum capacity of presentations to the emergency department has more than doubled. It is at breaking point. That is exactly why we have put a submission to the Health and Hospitals Fund to try to get that question of an expanded emergency department and intensive care unit addressed, because people are going to continue to move to the North Coast. Unless government keeps pace, we will have to put up the 'house full' sign on the North Coast. If the physical infrastructure, and the health service delivery in particular, does not keep pace, we will have some real, chronic problems on our hands with the delivery of health care.

So, once again, any changes that might introduce more pressures to that public hospital system, which is already under pressure in high-growth areas such as mine, is unwelcome. Once again, it will be a watching brief from my perspective. But if there is a sniff that this sends those presentations to the public emergency department or to the waiting lists for elective surgery any further through the roof than they already are, then it is a conversation we will continue to have with the Minister for Health and Ageing and the government generally. This is a particularly sensitive issue for an area which has the most elderly demographic in the country, has high-growth pressures, is a low-SES area and really needs government to step up to the plate on the delivery of public health services. When it does not step up to the plate, any changes to private health insurance are a cause for great and significant concern.

My final point is really a question to the government and relates to revenue. For the out years of 2012-13, I am reading that as a spend of $680 million a year compared to the immediate savings in 2009-10. If this is a decreasing rebate across the three tiers and an increasing surcharge across the three years, I would be very interested to hear an explanation of the maths from the government. If this is a savings measure, then obviously some questions will be raised about where those savings are found. Is this an expansion of incentives or is it not? Is this an expansion of pressures on the public system or is it not? I may be reading those figures incorrectly, but the way I read them leaves open some questions about the very name of the bill—whether it is a fairer private health insurance incentive—and the question of how, if across the three tiers we are seeing general decreases in rebate and increases in surcharge, those maths add up with the forward years as they are presented in the revenues. I would love to hear the minister’s response, if she is going to respond, and I will continue to watch the implications of this legislation. I accept it is part of the government’s general mandate and the means-testing philosophy that we are seeing from this government, but I am very conscious of the pressures arising from an expanding population base on the mid-North Coast that is not seeing an equivalent rate of expansion in the public health system. Therefore, it is more than likely we will be having another conversation with government about this and about health reform generally.

Mrs HULL (Riverina) (7.05 pm)—It is now official: this is a tricky government. In fact, it is a mean and tricky government—mean because it has taken away this benefit
to the Australian people and tricky because it has also increased the surcharge levy so that people have no choice. The people who have taken responsibility for their own health will have no choice. So it is official: it is a mean and it is a tricky government. It is also official that it is a government that tells untruths.

On no fewer than five occasions, the Minister for Health and Ageing and the Prime Minister, Kevin Rudd, have said that this would not happen. In fact, there was a categorical ‘Absolutely not’ from the Prime Minister, Kevin Rudd, when he was asked in an interview in August 2007 whether or not he was going to take off the rebate for private health funds. A letter to the AHIA clearly said:

Federal Labor is committed to retaining the existing private health insurance rebates …

Kevin Rudd, in a press conference in the Prime Minister’s Courtyard on 25 February 2008, said:

The Private Health Insurance Rebate policy remains unchanged and will remain unchanged.

Then we have the statement from Nicola Roxon, when she was the shadow minister:

On many occasions for many months Federal Labor has made it crystal clear that we are committed to retaining all of the existing private health insurance rebates, including the 30 per cent general rebate and the 35 to 40 per cent rebates for older Australians. … The Liberals continue to try to scare people into thinking Labor will take away the rebates. This is absolutely untrue.

Ms Roxon, now the minister for health, told the Age on 24 February 2009:

The Government is firmly committed to retaining the existing private health insurance rebates … They are mean and tricky and proven not to be able to tell the truth.

When I look at issues of great effect in my community, I look at Wagga Wagga Base Hospital in particular, a hospital that simply will not be able to meet the demands that the change in hospital treatments will produce. We saw back in 1996 a levelling out of hospital treatments, of public hospitals basically having the same treatment patterns as private hospitals. Then, as a result of the Howard government’s rebate and their commitment to ensuring that Australians, if they wanted to pay for choice, could actually pay for choice and would get compensated and get rebates for that, we saw an exponential growth in in-hospital treatments by private hospitals. It was a huge growth. Fifty-five per cent of malignant breast condition treatments were done in private hospitals, 55 per cent of cancer therapy was done in private hospitals, 55 per cent of hip replacements were done in private hospitals, 63 per cent of other major joint replacement and limbic reattachments were done in private hospitals, 70 per cent of same-day mental health treatments were done in private hospitals and 73 per cent of lens procedures were done in private hospitals.

Can I go into lens procedures. We have seen the intention to cap many of the EMSN, extended Medicare safety net, benefits. Some of those will be to do with pregnancy issues, obstetric issues and reproductive issues. They will be varicose vein surgeries and cataract surgeries. We know that in communities, and particularly those communities with a significant Indigenous population, cataract surgery has restored the quality of life of hundreds of thousands of people. What we are going to face now is not just a capping of the extended Medicare safety net; we are now going to see introduced—it has not been introduced yet but it will be introduced—a 50 per cent reduction in the rebate for cataract surgery.

Let me clearly explain that in Wagga Wagga Base Hospital the Greater Southern Area Health Service has cut the theatre lists back to three cataract surgeries per month. The waiting lists have blown out. Up until
the end of last year, people waited about three months to get cataract surgery done in Wagga Wagga Base Hospital. Now that those surgeries have been cut back to about three per month, that has blown out to 11 months. This is for one particular ophthalmologist. Many of his colleagues have much greater extended waiting lists, if we are just talking about cataract surgery. The waiting list grows by about two months every month. So we have a system now that will bring people back into the public hospital system, which we can certainly ill afford in my electorate of Riverina.

The Wagga Wagga Base Hospital simply cannot cope as a regional referral centre. It is an ageing, decaying mess. The staff in Wagga Wagga Base Hospital do an absolutely sensational job trying to do the right thing by the patients. In fact, they are working double standard overtime to do the right thing by the patients. But for 30 years the Wagga Wagga Base Hospital has failed to get the attention of any government, whether state or federal, coalition or Labor—certainly over the last few years it has been the Labor government. What is happening is a disgrace. Now we are going to have an even greater call on that hospital. In my electorate of Riverina I have 65,607 people covered with private health insurance, and we have been in drought for seven years—something’s gotta give. The fact is there is going to be a major impact on the public hospital system in my electorate of Riverina. I sincerely believe that there must have been many ways in which we could have avoided this.

I believe that there was always the intention to cut private health insurance. In all of these great statements that were made publicly, there was one person who maybe told the truth. That was Peter Garrett, when he stated, ‘Once we get in we’ll just change it all.’ That comment was made to Steve Price on 2 November 2007. It appears that is exactly what the government has done. The government has taken the Australian people to be fools. The government is mean and tricky. The government has taken a choice away from the Australian people. The government will blame the economic downturn for this, but I believe it would be the view of the Australian people that the government cannot tell the truth, did not tell the truth and has never supported private health insurance. When we were in government, the then opposition—the now government—absolutely, vehemently opposed the 30 per cent rebate for so-called rich people. There are 65,000 people in my electorate who are not rich; they do not make the list of Australia’s richest. I believe the government in this case has got it absolutely wrong.

Dr SOUTHCOTT (Boothby) (7.16 pm)—I would like to start speaking on the Fairer Private Health Insurance Incentives Bill 2009 and related bills by reflecting on the landscape of the Australian health system. There are a number of established parts of the landscape: Medicare, bulk-billing and community rating for private health insurance. We on this side of the House—the Liberal and National parties—accept, recognise and will go in to fight for the role of private health insurance. We on this side of the House—the Liberal and National parties—accept, recognise and will go in to fight for the role of private health insurance. We on this side of the House—the Liberal and National parties—accept, recognise and will go in to fight for the role of private health insurance. We on this side of the House—the Liberal and National parties—accept, recognise and will go in to fight for the role of private health insurance. We on this side of the House—the Liberal and National parties—accept, recognise and will go in to fight for the role of private health insurance. We on this side of the House—the Liberal and National parties—accept, recognise and will go in to fight for the role of private health insurance. We on this side of the House—the Liberal and National parties—accept, recognise and will go in to fight for the role of private health insurance. We on this side of the House—the Liberal and National parties—accept, recognise and will go in to fight for the role of private health insurance. We on this side of the House—the Liberal and National parties—accept, recognise and will go in to fight for the role of private health insurance. We on this side of the House—the Liberal and National parties—accept, recognise and will go in to fight for the role of private health insurance. We on this side of the House—the Liberal and National parties—accept, recognise and will go in to fight for the role of private health insurance. We on this side of the House—the Liberal and National parties—accept, recognise and will go in to fight for the role of private health insurance. We on this side of the House—the Liberal and National parties—accept, recognise and will go in to fight for the role of private health insurance. We on this side of the House—the Liberal and National parties—accept, recognise and will go in to fight for the role of private health insurance. We on this side of the House—the Liberal and National parties—accept, recognise and will go in to fight for the role of private health insurance. We on this side of the House—the Liberal and National parties—accept, recognise and will go in to fight for the role of private health insurance. We on this side of the House—the Liberal and National parties—accept, recognise and will go in to fight for the role of private health insurance. We on this side of the House—the Liberal and National parties—accept, recognise and will go in to fight for the role of private health insurance. We on this side of the House—the Liberal and National parties—accept, recognise and will go in to fight for the role of private health insurance. We on this side of the House—the Liberal and National parties—accept, recognise and will go in to fight for the role of private health insurance. We on this side of the House—the Liberal and National parties—accept, recogni...
in taking pressure off the public hospital system.

Many of us who have watched the Labor Party, who have watched parliament and who have private health insurance always knew in our heart of hearts that this day would come. There was a reason why Labor were continually peppered with questions about what they would do with the private health insurance rebate. The only surprise here is that it took them 18 months to break that promise. The promise was explicitly given and brazenly broken. The Prime Minister, in an interview with Leon Byner in August 2007, was asked if he was:

… going to take off the rebate for private health funds … that’s the 30 per cent we’re talking about?

The Prime Minister responded:
Absolutely not.

In a letter to the Australian Health Insurance Association only four days before the election the Prime Minister again said:
Both my Shadow Minister for Health, Nicola Roxon, and I have made clear on many occasions this year that Federal Labor is committed to retaining the existing private health insurance rebates, including the 30 per cent general rebate and the 35 and 40 per cent rebates for older Australians.

Again, the then shadow minister for health, the member for Gellibrand, in September 2007, in a media release said:
On many occasions for many months, Federal Labor has made it crystal clear that we are committed to retaining all of the existing Private Health Insurance rebates, including the 30 per cent general rebate and the 35 and 40 per cent rebates for older Australians.

… … …

The Liberals continue to try to scare people into thinking Labor will take away the rebates.

This is absolutely untrue.

It is with regret that we have been proven right on this. You have to look at the previous Labor government. It took a number of decisions between 1984 and 1986 which in toto increased the cost of premiums by something like 40 per cent. That began the downward slide of the level of private health insurance cover. It was the 30 per cent rebate and Lifetime Health Cover that got private health insurance back to a sustainable position. One problem with this measure is this. Winding back the support for private health insurance has a direct impact on 1.7 million Australians. To the extent to which young, fit and healthy people drop out of private health insurance, we will see a premium rise for the 11.1 million Australians who hold private health insurance.

In my own electorate of Boothby, private health insurance is incredibly important. There are 68,587 adults who hold private health insurance—that is, 71 per cent of the adult population hold private health insurance. Sixty-three per cent of adults hold hospital insurance and 69 per cent of adults hold general treatment insurance. In the electorate of Boothby, there are many excellent private hospitals: Flinders Private Hospital, Blackwood and District Community Hospital and Griffith private hospital. Not in my electorate but in the electorate of the member for Adelaide is Ashford Hospital, which started life as a community hospital established by the cities of Mitcham, Marion, Unley and West Torrens—that is, it was established by councils in the southern and western suburbs of Adelaide. Also, people use their private health insurance for visits to specialists and for inpatient visits to public hospitals, to either Flinders Medical Centre or Royal Adelaide Hospital. So it does pay a very important role in our public system.

The argument that has been put up by the government is that this is a savings measure. It is cited not only as a savings measure but
also as a growth savings measure. That means that over time more and more people will be paying much higher premiums and will be chucked off the level of rebates that they currently have. Their big killer point against our very responsible alternative of increasing tobacco excise by one-eighth, or 12½ per cent—the equivalent of 3c per cigarette—is to say, ‘Over 10 years our winding back of the private health rebates will save a lot more.’ That is code for more and more people getting a reduced private health insurance rebate as time goes on.

In conclusion, this should come as no surprise to people who have followed the Labor Party and its positions on private health insurance. The surprise really is that it happened so quickly. We are 18 months from the last election. The previous Labor government waited until its second term to break a lot of its promises and really wind back the support for private health insurance. The question now is: why would you believe anything that the Labor Party says on the issue of private health insurance? On the subject of private health insurance, the Prime Minister and the Minister for Health and Ageing simply cannot be believed. They cannot be believed because they gave explicit promises before the election and they broke those promises after the election.

Voters in my electorate of Boothby, where this will affect 71 per cent of adults, would take a very dim view of the Labor Party’s actions here. Something like one million Australians, many of them elderly, on incomes below $26,000 hold private health insurance. While they will not have their rebates pulled back by this measure, they will be hit by any premium rises as a secondary consequence of people dropping out as private health insurance premiums increase. This is a very bad measure for my electorate of Boothby. I have no choice, and the opposition has no choice, but to oppose this measure, as has been indicated by the Leader of the Opposition and the shadow minister for health.

Mr SIMPKINS (Cowan) (7.25 pm)—Tonight, I would like to speak on these bills, the Fairer Private Health Insurance Incentives Bill 2009, the Fairer Private Health Insurance Incentives (Medicare Levy Surcharge) Bill 2009 and the Fairer Private Health Insurance Incentives (Medicare Levy Surcharge—Fringe Benefits) Bill 2009. This legislation reduces government support for private health insurance. Therefore, it discourages self-reliance. Not only that but the Australian Health Insurance Association have said:

The Rudd Government’s decision to dismantle the private health insurance rebate will place increased pressure on the public hospital system and force up premiums for those Australians who take responsibility for their own healthcare by taking out private health cover.

They also say that, as a result of these changes, private health insurance will cost more for every person in Australia with private health insurance. As premiums rise as a result of these changes by the Rudd government, more people will join the queues of the public hospitals. How, then, is any of this fair or even good for health outcomes?

That leads me to my next point. I always find it interesting that there always has to be a word in these bill titles that suggests the validity of the bill. It seems that none of these bills can stand alone, and by that I mean that this bill could have just been called the ‘Private Health Insurance Incentives Bill 2009’. But the government has chosen to make an assertion as the precursor to this title and in the two other bills. I say ‘assertion’ because, as with all this government’s work, just because they say so does not mean that it is actually the truth. The issue of whether these bills make anything fairer is not only questionable but downright false.
These bills are not about being fair; they exist for two completely different reasons. These bills are about saving a few dollars, but primarily they are about an ingrained ideological hatred of private health by the Labor Party. By ‘ideological’ I mean that it is just another attack consistent with the socialist ideology that guides those opposite. This is up there with the Labor belief that anyone who is successful in business has achieved that success by oppressing workers. This is about the assumption that anyone who has been a success or has made sacrifices to adopt some choices for self-reliance should be discriminated against and should pay more tax than they already do. It is a very old and warped view of the world. It has failed in its communist form, in its socialist form—in collectivism in all respects—and it continues to fail this Rudd Labor government as it continues to pursue its ideologically based economic plans. The government’s approach is a clear and present danger to this nation’s success, and with each passing day it becomes more obvious. But I will leave that point for now, because I need to move on to the pre-election statements by the now Prime Minister.

Everybody now knows that this is clearly a broken promise by the Prime Minister. Everyone knows that the Prime Minister guaranteed before the election that there would be no changes to the private health insurance rebate. As sanctimonious as the current Prime Minister is on such issues, clearly the buck does not stop anywhere near him. It is a point worth making that in 1996 the finances taken over by the coalition government were far different from those taken over in 2007 by the now Prime Minister. In 2007, the surplus was going to be around $21 billion. All the government debt was paid off and money was in the bank for the future funded infrastructure funds. It was all there and all clear in black and white. The ledger was truthful and allowed both sides of politics in that election campaign to assess priorities and speak of spending.

Contrast that with 1996. I believe it was Kim Beazley who said that the budget was in surplus, and provided figures, or rather statements, upon which decisions and promises of the coalition were made. The only trouble with what happened in 1996 was that the Labor government was not telling the truth; it was a big cover-up. In fact the last Labor budget was $10 billion in deficit and they left an unexpected $96 billion in debt. It was from that time and in those circumstances that the hard decisions of the early years of the coalition government were made. The country could not afford the promises made because the ALP’s departing government lied in the 1996 election campaign.

It is therefore obvious that, while there were reasons in 1996 why the coalition government could not deliver on some of its election promises, that same justification has not been available to the Rudd Labor government. The reality is that the current economic challenges are a convenient excuse to further the ideological attack on private health insurance and those on higher incomes, being those who earn more than $150,000 per year, which Labor suggests are the rich. It is not considered how many hours you work to earn that money; it is just the fact that you get paid that much which makes you their enemy. Clearly, the socialist view is that anyone on $150,000 or more just does not pay enough tax and certainly does not deserve it. I will leave that there.

In a similar vein, while I attribute these bills and these changes to an ideological attack, for those who think it will go no further, just think carefully. When the former coalition government introduced the private health insurance rebate, who voted against
them? It was of course the Labor Party, and it is now the government of this country. Clearly it has always been opposed to these rebates. The Australian people should keep this in mind. The Labor Party said one thing before the election; after the election it says something different. This change is just another step towards the dismantling of government support of those with private health insurance, a system the government sees as something it should not be supporting. The message is very clear for those 62,000-plus voters who have private health insurance in Cowan: the Rudd Labor government thinks you should be on your own with private health. It wants you to pay with no government support. It broke its pre-election promise on this matter. That is a fact. It voted against the rebate support provided by the coalition. That is a fact. The Labor attack on private health continues. That is clearly a fact. This will not be the end of making Australians pay more for choosing to have private health insurance. The Rudd Labor government will continue to make it harder for Australians to keep out of public hospitals. That is a fact.

No doubt the government will find support for this legislation in this building. The Greens will be right there in supporting this legislation, no doubt about it, although they will want to go further. They will want the government to cut all support for private health. That is of course the government’s plan. The only difference is the time frame. The Greens want to skip to the endgame while the Labor Party wants to progressively kill all the support. Today’s Labor target, also known as a justification for killing support of private health, is those nasty rich people. Who will be the rich people of tomorrow? Perhaps those earning over $125,000 or maybe over $100,000 a year. Time will tell.

Of course any discussion of private health cannot be undertaken without speaking of the hospital system. The state hospitals all the way around the country are struggling. I believe that the health system in Australia is still world-class. Australians who have travelled the world would realise that. I say that if you are in need of emergency health care, then there is no place on earth you would rather be than in an Australian hospital. I certainly have confidence in Joondalup Health Campus, the Royal Perth Hospital and the Princess Margaret Hospital for Children. Although I have such faith, the reality is that the elective surgery waiting lists are very long and the delays are substantial. This is the big difference: emergency care is very good and elective surgery is characterised by delay and frustration. Fundamental reform is required in this area. With regard to elective surgery, I want to know how the Rudd Labor government’s attack on private health insurance, driving people onto the elective surgery waiting lists, is going to do anything but lengthen those lists.

Before concluding, I want to let the parliament know that, while the Rudd Labor government may believe that private health insurance is a rich person’s indulgence, the opposite is in fact true. A majority of people in my electorate have private health insurance and they are not rich. I would also remind the government that there are no expanses of million-dollar homes or typical leafy green suburbs in Cowan. No-one has views of the sea or rivers either. These suburbs in Cowan are typical of the authentic suburbs of this country. I speak on this matter today to ensure that the people of Cowan know that one side of politics, our side as the coalition, supports choice, and in particular the choice of constituents to have private health insurance and not be attacked by the Rudd government for making that choice. Although too numerous to mention by name, I have received letters from many of my constituents. John of Ballajura sums up the sen-
timents of the people of Cowan, and I think of most of Western Australia, when he writes:

I am writing to you as one of Western Australia’s 800,000 HBF members and someone seriously concerned at reports that the Federal Government is considering making changes to the Private Health Insurance Rebate in the forthcoming budget.

The current contribution by the Federal Government towards health insurance premiums is absolutely vital in keeping private health cover affordable for people like me.

Any change to the Private Health Insurance Rebate, which makes health insurance more expensive, will encourage people to drop their cover, place additional pressure on our public hospitals and lead to higher premiums for those who keep their cover.

Many of us make significant personal sacrifices in order to pay for our health cover. We believe that we are doing ‘the right thing’ by taking responsibility for our health instead of depending on an already stretched public system.

As my Member of Parliament I implore you to speak up for me, and the thousands of other Western Australians with health insurance, to ensure that the Federal Government honours its pledge to retain the Private Health Insurance Rebate in its current form.

I am unashamedly in support of private health insurance and in support of free choice in this country. The coalition has always been in support of the health system and the best possible health outcomes in this country. That is why we support the retention of the private health insurance rebate with an effective health measure, being the increase in the excise on tobacco. This of course is yet another example of the multifaceted approach the coalition adopts with health. We can get to a better health outcome by having a strong private health option. We can get better outcomes by increasing the excise on tobacco and still achieve these things in a financially responsible manner. If the government adopted our position then the Prime Minister’s pre-election promises and assertions about not changing the private health rebate system could be maintained—that is, of course, if he ever intended to keep his word on this matter. The actions of the government will now be on display for all to see. Back this amendment and keep faith with the Australian people in at least one area, or oppose this amendment and have Rudd Labor seen as the enemy of private health, the enemy of free choice, the enemy of aspirational people and the enemy of those who make sacrifices to afford private health cover all over Australia.

Mr BILLSON (Dunkley) (7.37 pm)—What we are discussing tonight with the Fairer Private Health Insurance Incentives Bill 2009 and related legislation is certainly not an honest attempt by a government to implement its policies. This is a dishonest government that went to the electorate on an issue known to be sensitive, of great interest and vote influencing in the electorate. It promised over and over again, it gave solemn undertakings, that things would not change in relation to the private health rebate. And here we are, a year and a half in, and all of that has been junked and the dishonesty is laid bare in the nation’s parliament tonight as we debate what is a stunning betrayal of the trust of voters of Australia and a clear example of this government doing anything, once it is elected, to implement ideological agendas.

The Minister for the Environment, Heritage and the Arts, Peter Garrett, said, ‘We’ll just get elected and do what we really want afterwards.’ Never has such open honesty and transparency been laid as bare as it has been tonight. This is exactly what has happened. Many electors not only in the electorate of Dunkley, that I am proud to represent, but right across Australia actually took the Rudd opposition at that time at its word that
it would not do a hatchet job on the incentives for Australians, not just high-income Australians but Australians right across the board, to commit their own resources to taking out private health insurance.

The reason this affects everybody is that a change in the balance, in the equilibrium, of our dual-track health system that recognises and resources both the public system and the private system reverberates right throughout the system. Tonight it may not be a $64,000 question for the people of Dunkley, but the private health insurance dollar certainly is an issue for the 64,000 Dunkley residents who will pay a heavy price for the Rudd government’s betrayal and clear dishonesty in relation to private health insurance in what I believe is an ongoing attack on private health in this country. A lot of words have been said by Rudd government ministers and their very compliant Labor members of parliament, sticking precisely to the lines given to them by the executive. But there is a set of words you would not have heard from the minister herself in this debate, or from any of the Labor representatives who have stood up to parrot the lines given to them. None of them have said, ‘We support private health.’ They have not uttered those words. They do not believe those words. And here we are, looking at a second attack on private health—after we had the earlier Medicare levy surcharge reforms last year, we now have these private health insurance bills before us tonight.

The reason this is so significant to the people of Dunkley is that more than 15,000 families have chosen to put some of their own resources into taking out private health insurance. A further 17,000 single adults with private hospital and general treatment insurance are also part of the Dunkley community. They recognise that, the more people who participate in the private health system, the more its insurance utility will benefit all. So, if you start picking people out of that system, you are leaving a smaller pool to cover the risk and the costs of maintaining support and services for those who remain. That is why this is such an ill-conceived budget measure. Not only will it push up the cost of private health insurance by reducing the number that have taken out cover and therefore the coverage pool that supports those services; it will also discourage people from directly providing for their own health costs. It will add to pressure on waiting lists in public hospitals and the health system, and it is just plain dumb.

Why on earth, when we are looking for more resources in the health system, would we not say, when any Australian is prepared to put 10 of their own dollars in, that the $3 to support that from the government is a sound investment? You take the $3 away and the risk and the highly probable outcome is that people will take their $10 away. What you end up with is a net reduction in the resources in the health system of Australia to care for our increasingly ageing population, and this is just dumb. Incentives are about encouraging behaviour, and the behaviour here is to look the Australian people in the eye and say, ‘We encourage you to commit some of your own resources towards your own health care, and we will provide some encouragement for that’. In addition, those people continue to pay their Medicare levy. They continue to make a contribution through their levy payments and through their taxes to the public health system but we welcome and encourage their additional contribution to the private health system. All the Dunkley families and individuals that make these personal sacrifices to maintain private health cover will be faced with higher insurance premiums since the Prime Minister categorically broke his election promise not to change the health insurance rebates and
instead slashed them savagely in the recent federal budget.

This further step by the Rudd government in dismantling the benefit available through the 30 per cent rebate on private health insurance in this budget will have an immediate impact on at least 1.7 million Australians, or 10 per cent of the population. That impact will flow on to private health cover for those that are not immediately directly affected because of the smaller insured pool, and also those in the pool are more likely to be those individuals with higher healthcare needs. That will mean premium increases for everybody. On top of that, those directly affected will have that burden of an increase in health costs of up to 42 per cent if they are not eligible for this rebate, while those forced to abandon their insurance will face a tax increase through the Medicare surcharge levy of about 50 per cent. But every Australian will eventually pay for this reckless decision. It is a reckless action by a government that is careless about honouring its promises and has lost control of the public finances. The budget changes will mean people will drop out of health insurance. They will join the queues of people waiting for treatment in public hospitals while those who keep the insurance will have to pay more.

Prime Minister Rudd was not honest with the Australian people. He promised that this would not be changed; he promised it over and over again and now he has stooged everybody. He stands condemned for that action, not only because of the appalling betrayal of public trust but also for the consequences that will flow from it. He promised he would not touch the rebates for private health insurance but he was not honest in making that promise. This commitment was shattered in the budget and we will all end up paying the price. So, I have illustrated the impact on those with private health insurance, through the additional costs for that insurance, and on those that may choose to opt out.

Some people think this is an ideological bent, when public policy advocates have over and again recognised that our health regime needs both a vibrant and energetic public system and a vibrant and energetic private system. When this last attack on the threshold and the Medicare rebate was before this parliament we were reassured in speeches by the minister that any suggestion that there would be any messing with this system was not right. She said:

The government has committed to maintaining the private health insurance rebate, which provides support to the private health sector to the tune of approximately $3½ billion a year.

She went on:

Contrary to some of the overblown contributions from those opposite, Labor is far from throwing the private health sector out into the cold. In fact, the government has expressly made it clear that it believes the old paradigm of a split between public and private health systems is no longer a viable policy perspective if indeed it ever was.

Minister Roxon went on to say:

We have also committed to maintaining the Lifetime Health Cover measure.

That was less than a year ago and that undertaking has not been kept. We had promise after promise in the lead-up to the election designed to stooge the Australian public and mislead voters that this benefit would stay. The government has adopted the Milli Vanilli minister for the environment option. He said, ‘Let’s just get in and then we’ll do what we really want afterwards.’ And here we are where we are today.

In my remaining time let me make one other point. A couple of years ago Peninsula Health, in the Dunkley electorate, got a touch-up from the state government. They were told they were not doing enough to pull in revenue from privately insured patients
receiving care in the public hospital. They were told they were underperforming in bringing additional resources into the health system through the Frankston Hospital by treating privately insured patients whom they could then bill. The Peninsula Health financial report shows that in 2004-05 there was $5.842 million in additional patient fees brought in through acute patients. In 2006 it was a little over $6 million. Then the touch-up came. After 2005-06 they were told: ‘You are not doing enough to draw in privately insured revenue to prop up the resources of your public hospital. Go to it.’ That revenue stream of a little over $6 million became $9.14 million in one year—nearly double.

I illustrate this point to emphasise that, when private insurance is compromised and made more difficult and less attractive, not only does the private health system suffer but the balance between the public and private health systems suffers. Here is a classic example of privately insured patients not only supporting private health and public health through their Medicare contributions; through their premiums they are also enabling hospitals in the public system to attract additional revenue by providing services to privately insured patients.

This is a disaster of a measure. It is a dishonest action by a government that has misled people with its election reassurances. We have seen two instances of private health maybe not being ‘left out in the cold’, as we were assured by Minister Roxon, but, gee, there is sure an ill and chill wind blowing over private health. All of us must remain vigilant to make sure the ideology of the Labor Party does not see an end to private health, because that would be a bad health outcome for all Australians.

Mr LINDSAY (Herbert) (7.48 pm)—All along, Labor have had a track record of hating private health insurance. They did go to the last election, as the member for Dunkley indicated, promising that there would be no change to the arrangements for private health insurance. But why are we surprised as we now see the Labor Party break a number of promises they made to the people of Australia? The people of Australia must be getting a bit cynical now. They were sold a pup. They were given an expectation and that expectation is not being delivered on. When we see this class warfare and politics of envy and so on operating within the government, it is frightening. Only yesterday the unions floated the idea that the salaries of company executives should be limited by government decree. I am not sure how you would do that, but it certainly would not encourage the best, brightest and most capable to remain working in Australia.

It has always been the Labor Party’s philosophy to bring people down to a common denominator. We are seeing that in private health insurance changes and in what the unions are proposing in relation to how company executives should be remunerated. That is sad. I guess it comes back to the fundamental philosophies that define the Labor Party and the coalition. The Labor Party’s view is to legislate to do all things to make people equal with one another. The coalition, on the other hand, believe that we should give everybody the opportunity to be equal. It is a fundamental difference in our philosophies, because people are not equal. People will always be different. You cannot make people equal when they cannot be equal, but you can give them equal opportunity. You can allow them to do well and you can support those who do not have the capacity to do well. That is what the Australian Labor Party should be thinking deeply about.

Many people are also very concerned that the Rudd government promised to fix the hospital system, particularly in my patch in Townsville in North Queensland.
is a lot of money coming out of the health system—I will explain that in a moment—to pay for Labor’s reckless spending, but that is putting pressure on the health system, which is already groaning under the weight of too few beds, too few health professionals and so on. I am reminded that the Prime Minister made a commitment to the Australian nation that, if the health system was not fixed by 30 June this year, he would take it over from the states. The 30th of June is going to be a very interesting day because the health system is not fixed, and I would take a bet that there will be another broken promise at the end of this month—that the Prime Minister will not move to take over the hospital system. Again he will disappoint all Australians, whom he gave such a great expectation to in relation to this issue.

The beauty of private health insurance is that it gets people paying a component of their health costs. People will voluntarily pay a significant sum of money towards the cost of their hospital cover, which means that the government does not have to meet that cost. Throwing people out of the private health insurance system imposes higher costs on the public hospital system and on the government. It is a lose-lose situation. I am reminded that many of the people with private health insurance in Australia are pensioners. They scrimp and save at times in their lives when they really need private health insurance. Effectively, the government is taking a measure to increase the cost of private health insurance for those people who really need private health insurance to access private hospitals. It is a very bad measure all round.

We will also see that the people who drop out of private health insurance because of this measure are those who are least likely to want to use the facilities of a private hospital. People who are most likely to use the facilities of the private hospital will remain privately insured. All that means is that you will lose the healthy ones and keep the less healthy ones and premiums will rise to cover the cost of the less healthy cohort who remain in private health insurance. Can’t the government see that? Can’t they see what they are doing to pensioners who keep private health insurance as a necessity? Can’t they see that they are putting premiums up for pensioners? No, it is ideological; they do not want to see it.

I have a major private hospital in my electorate which is not for profit—which means that it is not for loss. The private hospital concerned needs a critical mass. If the percentage of people with private health insurance in the Townsville population drops below a critical level—a scenario which is likely to happen when the Rudd government makes these changes to private health insurance—the hospital will run at a loss. What will that mean for my people in Townsville?

It should be borne in mind that hospitals in regional Australia offer a wider range of services than would be available in a hospital in a capital city. That stands to reason. They have to because there is not a high concentration of population to support specific specialties which you can access in a capital city. Some of the specialist health services provided by private hospitals in regional Australia have to be subsidised by other services. The regional hospital offers a wider range of services because the alternative is to put the burden back on the public system, to send patients to Brisbane—it is only 1,000 kilometres away!—or, worse still, simply not offer the specialised health services.

The hospital concerned has a specialised health procedure called brachytherapy, a form of radiotherapy where radioactive seeds are inserted, or placed inside or next to an area requiring treatment to knock off a cancer. It is commonly used very successfully to treat localised prostate cancer. It is available
in Townsville, but, if this legislation proceeds the way it looks as though it will proceed, the service will no longer be subsidised by other services and we will lose that service in North Queensland. So the Rudd government does regional Australia in the eye yet again. It is very unfortunate.

People living in regional Australia do not deserve to be treated as second-class citizens when it comes to the provision of health services. I am concerned that this will be the case when more pressure is put on the private health insurance system and people opt out of private health cover. There are nearly 70,000 adults in my electorate and 52 per cent of them have private health insurance. It is going to be very interesting to see where that number drops to under this particular measure. It will just mean bigger queues at Townsville Hospital, more frustration and longer waiting times. That will be a bad outcome.

The changes we are debating tonight have been acknowledged by the Australian Private Hospitals Association as a clear breach of election promises made by the Rudd government. I do not think there is any doubt about that. Even the Labor Party would admit that it is a breach of an election promise—they have to. The APHA state:

The changes will lead to a system that is confusing, complex and costly for those millions of Australians who take responsibility for their own health care costs.

On the subject of broken election promises, there is a standout one in Townsville relating to my defence community. The Rudd government promised that Townsville and Darwin would be the first to receive a defence family health clinic. And $33 million was promised. You know, we still do not have one. There are trials being run in other centres but not in Townsville or Darwin and there has been no commitment to start up a family health centre for defence families in Townsville. So we now have a double whammy: we have defence families who are privately insured with the not-for-profit insurer Defence Health. They have been let down by the government’s promises in relation to private health insurance. They are also let down by the government’s promise, not fulfilled, in relation to the family health centre at Lavarack Barracks. I am very disappointed for my people in Townsville. I am very disappointed that the Rudd government has taken this attitude.

I finish where I started. Labor hates private health insurance. The ideologues and the unions believe that we should have a socialised system—a one size fits all. It does not work. It is bad for the country and it removes the choice that people should have in relation to their health arrangements. I will be voting against this measure.

Mrs BRONWYN BISHOP (Mackellar) (8.00 pm)—We all use the health system the most in our lifetime in the last two years of our life. I have never been one who is prepared to say which are the last two years of anybody’s life. About one-half of the cohort of people who are born in a particular year will meet the life expectancy figures, which if I remember correctly are about 83 years for women and about 79 reaching 80 for men. But there are a lot of other people who will pass away in that period—nearly half of the cohort.

Private health insurance has always played a very particular and important role in giving adequate health cover to people who want to live a quality life throughout their life. That entails the ability to have choice of doctor and to have ready access to hospitals when they feel the need and when they believe they require that health service. There used to be a long debate about Medicare and whether or not, from our side of the political
spectrum, Medicare was the way to go. When I was shadow minister for health prior to the 1996 election I made a very firm commitment on behalf of the opposition, which has remained since then, that we would always support the Medicare system. But we also fiercely said that there was a need for private health insurance and we very fiercely said that the right of people to take out that insurance and to have doctor of choice, and choice of time when they need elective surgery, was a fundamental right of the Australian people. We do not want the United Kingdom system of rationing and dictatorial government saying when you may or may not have medical treatment. We do not want the American system, where the HMOs say when and what sort of care you may have. Here in Australia we have developed something unique.

I also said at the time I was shadow minister for health that it was imperative that we had either a tax deduction or a rebate in place to encourage people with regard to their private health insurance. And it is fair, because everybody pays the Medicare levy—or, rather, those over a certain taxable income. But the vast majority of people who pay for their private health insurance also pay a Medicare levy. So they do have right of access to the universal system, but they pay extra because they want that bit more. And that benefits the system as a whole. It relieves the pressure on public hospitals, it makes the private hospital sector viable, and it means that we can have such arrangements as we do for veterans, where veterans are entitled to use the private hospital system, which gives them that special benefit which they deserve.

It also means that doctors are not employees of the state. It means they retain their independent status. That is where we get into trouble with Labor Party governments. Socialism in the area of medicine and many other areas is alive and well in the Labor Party. The Labor Party wants doctors to be subjugated by the state. They want them to be employees of the state, so they can tell them how and where and in which way they will treat patients. But we still have a fiercely independent medical profession, and long may that endure.

In the system that we introduced—which, like Medicare, was universal; it was available to everybody—a flat 30 per cent rebate was chosen, and for a very sensible reason. When we were in government we always strove to see that 80 per cent of taxpayers paid no more than 30c in the dollar top marginal rate. And therefore it was felt that it was fair that 30c in the dollar was a reasonable rebate to be struck. It did not advantage those who were above that 80 per cent of the population, but it was a fair and reasonable figure.

The Labor Party, before they won office, were at great pains to say that they were fiscal conservatives. We have seen that that is not true. But they also said again and again that they would in no way tamper with the rebate, because the rebate matters to people. For instance, in the lead-up to the election on 26 September 2007 Nicola Roxon, the then shadow minister for health, put out a media release:

The Liberals continue to try to scare people into thinking Labor will take away the rebate. This is absolutely untrue.

Really? It was perfectly true. On 20 November 2007, just prior to the election on 24 November, Kevin Rudd, federal Labor leader and member for Griffith, wrote to the chief executive of the Australian Health Insurance Association in the following terms:

The Liberals continue to try to scare people into thinking Labor will take away the rebate. This is absolutely untrue.

Really? It was perfectly true. On 20 November 2007, just prior to the election on 24 November, Kevin Rudd, federal Labor leader and member for Griffith, wrote to the chief executive of the Australian Health Insurance Association in the following terms:

Thank you for your letter of 29 October 2007 seeking clarification on Federal Labor’s policy regarding private health insurance.
Both my Shadow Minister for Health, Nicola Roxon and I have made clear on many occasions this year that Federal Labor is committed to retaining the existing private health insurance rebates, including the 30 per cent general rebate and 35 and 40 per cent rebates for older Australians.

Federal Labor will also maintain lifetime health cover and the Medicare Levy Surcharge. Labor will maintain the existing framework for regulating private health insurance, including the process for approval of premium increases. Zero per cent premium adjustment is not Labor policy.

I understand Nicola Roxon’s office has also confirmed with you that Federal Labor has no plans to require private health insurance funds to make equivalent payments to public hospitals for patients who elect to be treated as private patients.

I trust this allays your concerns. Federal Labor values its relationship with the private health insurance sector and we look forward to this continuing regardless of the election outcome on November 24.

Yours sincerely,

Kevin Rudd

What is that piece of paper worth? That—rip—is worth absolutely nothing, because it is full of falsities and falsehoods. They went on to continue the falsities. On 25 February 2008, Mr Rudd said:

The private health insurance rebate remains unchanged and will remain unchanged …

On 18 May 2008 Nicola Roxon said:

… we continue to support the 30 per cent, 35 per cent and 40 per cent rebate for those Australians who choose to take out private health insurance.

Nicola Roxon, in a speech to the Australian Health Insurance Association on 8 October 2008, said:

Private health insurance consumers will be able to claim the 30 to 40 per cent rebate and lifetime health cover initiatives will remain in place.

And on 24 February 2009 Ms Roxon said:

The Government is firmly committed to retaining the existing private health insurance rebates.
Bill 2009 where it says ‘Singles earning between $75,001 and $90,000 and couples/families earning between $150,001 and $180,000 will receive a 20 per cent private health insurance rebate,’ it should really read, ‘Add back to your taxable income any reportable fringe benefits, whether it is your car or your computer, or if you are a federal government employee your child-care expenses, or if you are an employee of a hospital or a charity the fringe benefits tax component of your salary, and add to that reportable superannuation contributions and total net investment losses,’ which is the first attack we have seen for a long time on negative gearing. When the explanatory memorandum talks about a single person on an income between $75,000 and $90,000, it does not mean taxable income; it really means gross income, with a few exceptions. It is a deceptive way of introducing a new and punitive way of moving people off private health insurance.

We will see more stories coming out of what happens to people in the public sector, which is so run down by state governments. The federal government has said, ‘If the state governments don’t reach a reasonable level, we’ll step in.’ They have stepped in all right. They are claiming savings to their federal budget by transferring costs on to state budgets for which they do not have to take responsibility. So the savings that they claim in the federal budget can become a cost on a state government budget, yet they try to say they will not intervene, for the simple reason that they think they are making progress. Progress? Have you read about the state of hospitals in New South Wales, where the problem of mothers giving birth to babies in toilets is not a singular occurrence but one we see repeated many times? And have you read stories of hospitals that are so understaffed and so lacking in resources, yet there is no intervention by the federal government, who attack the private sector and private health insurance? This is simply a case of a broken promise and it should be trumpeted in the headlines, and yet the funny thing is that it does not seem to happen. There is a fundamental broken promise with regard to improving health care generally and a fundamental broken promise in any word from either the Prime Minister or the health minister.

This is a sorry day indeed. But I was very proud to see that in his reply to the budget the Leader of the Opposition firmly stated that the opposition will be voting against this measure in the Senate. We will be voting against it here in this House, where the government has the numbers so it will no doubt pass. But we will be voting against it firmly and resolutely. And when it goes to the Senate we will be voting similarly. We will not be resiling from that position. This is a core issue for Australia and for people who believe in equity and fairness and choice—in choice of doctor and choice of method of health care. I proudly say I will be one of those voting against this legislation.

Mr MORRISON (Cook) (8.15 pm)—The titles of these bills, which refer to ‘fairer’ private health insurance incentives, prove beyond doubt that just because Labor says something does not mean it is true. The truth of the Fairer Private Health Insurance Incentives Bill 2009 and related legislation is that it is going to slash the rebates that are available to families and individuals. It is going to slash those rebates from 30 per cent down to 20 per cent, from 30 per cent down to 10 per cent and from 30 per cent down to zero. This legislation shows yet again that in this budget Australians are paying the price for Labor’s reckless spending. This is a government that has lost control of the budget. It has lost control of the finances and we have a debt that is mounting at exponential levels on a daily basis. So we have before us this legis-
lation, which is solely designed to try to at-
tack private health insurance and to attack
those who have sought to take some respon-
sibility for their own healthcare needs and
reduce a burden on the public system for the
benefit of the whole system. These are the
people the government is seeking to attack in
this budget and by this measure in particular.
They are the new ‘Rudd rich’, as the Prime
Minister might want to refer to them—the
groups of people he now deems unworthy of
any support or any recognition of the sacri-
fices they make or the costs they incur. I note
in particular that the income levels in this
measure mean it will impose an even greater
burden on my home city of Sydney, where
incomes are, frankly, higher. They are higher
because costs are higher. The cost of living
in a major city like Sydney is higher; there-
fore the burden of this initiative will fall
even more heavily on families in Sydney
than in most parts of the country.

The measures in this legislation represent
the second wave in Labor’s assault on pri-
vate health insurance. We saw the first wave
of that assault come in last year’s budget,
when Labor sought to adjust the thresholds.
This legislation is not about the global finan-
cial crisis, as the government would have
you believe. It is not even about the Aus-
tralian recession, which the government do not
seem to want to talk about. They want to talk
about global factors but they do not want to
talk about the real situation here in Australia.
What this legislation is all about is Labor’s
hatred of private health insurance. As the
previous speaker, the member for Mackellar,
and all the other speakers on this side of the
House have argued so well, this is all about
Labor’s hatred of private health insurance. It
is in their DNA. It is in their platform. It is in
their policy. It is in their statements. It is in
their words. It is in their deeds. And now we
are going to see it in their debt. This is what
the Labor Party stand for. Even though they
promised they would do something differ-
ently, and even though they put that in writ-
ing, we should really not be surprised as we
see this second wave of the assault come
upon us.

There is a real difference between the coa-
lition, who sit on this side of the House, and
those who sit on the government side.
Around health, the difference is that when
the coalition look at how health should work
in this country we look at all elements of it.
We look at the role the private sector can
play. We look at the role the public sector
can play. On this side of the chamber, we do
not look overseas, with pining, towards other
systems. We think the system we have here is
pretty good. It actually gets the private and
the public sectors working well together.
Those on that side of the House look to the
United Kingdom and pray for the day when
they have complete public control of health,
right across the board, and they have doctors,
nurses and everybody answering to the al-
mighty Prime Minister. That is not a system
or a vision for health that we share on this
side of the House.

The vision we have for health is of an en-
vironment where the private sector, the inde-
pendent practitioners and the public sector
all work together to provide an effective
health system and where there is a system of
incentives which enables people to take on
responsibilities for their own health care. In
government we provided for that environ-
ment. We provided the encouragement for
that environment. That encouragement was
in the form of a system that included the 30
per cent rebate, the Medicare levy surcharge
and Lifetime Health Cover. Over the period
of our government, particularly from the
commencement of those initiatives, and from
the time we left office, the take-up of private
health insurance rose from 30 per cent to 43
per cent. In my electorate, that figure today
is 72 per cent. That does not surprise me be-
cause my electorate of Cook, in Sydney’s Sutherland shire, is made up of people and families who have made a habit throughout their lives of trying to take responsibility for themselves and their families and trying to support others around them. They carry their own weight and they also seek to carry the weight of others. It is an electorate where people have started small businesses and worked hard for a living, and as part of that ethic they see a responsibility to have private health insurance. These people are being punished by this government through these measures.

As a result of the measures we introduced and our encouragement of that type of system, more than half of hospital procedures today are done in private hospitals. So the actual attempt to encourage a system that moves us away from private hospitals into public hospitals defies belief. Despite those opposite trying to advance the argument in this debate that there will be no decline in private health insurance take-up, as we heard earlier from one of the government speakers, Treasury claims that 25,000 will drop their cover. That is the government’s number. That is not the opposition’s number. It is not the number that is coming from the health insurance industry. That is the number that is coming from the government. With a decline of at least that number—it could well be more—we will see an increase in premiums. That will especially affect older, senior Australians, particularly self-funded retirees, who have spent their life paying insurance premiums and who will be hit with higher premiums as a result of these measures and the flow-on of the impact of others falling out of the system.

It will also put increased pressure on our public hospital system, as the member for Mackellar noted. Waiting lists in New South Wales hospitals currently stand—at the end of March—at 62,890. That compares to 58,839 just 12 months ago. As at the end of March, there are 1,152 people waiting at Sutherland Hospital in my electorate, and just across the river, where many Sutherland shire residents go for surgery, there are 1,197 people waiting at St George Hospital.

The Rudd government was the government that said it was going to fix public hospitals. It was going to end the blame game, and it was going to fix public hospitals—and it was going to do all of that by 30 June this year or it would take it all over. It would take it all to a referendum, the buck would stop there and it would bite the bullet. That is not what we are seeing from this government but I should not be surprised because this is not the only promise that has been broken by this government when it comes to these matters. On 20 November, as we just heard, in a letter to the Australian Health Insurance Association, the then Leader of the Opposition and now Prime Minister said, ‘We will maintain the existing private health insurance rebates.’ It was in black and white. He even put it in writing. It is interesting to note that, prior to the budget, its chief executive, Michael Armitage, had said:

We can only hope, like all Australians, that he is going to honour that part of his promise. But I guess one will have to wait and see.

Well, they did wait and see and that was false hope. Like all other Australians, we see that it is false hope to put your trust in a government that would so freely and brazenly break a promise that it so freely gave prior to the election, even going to the point of putting it in writing. On 26 September the now health minister said:

On many occasions for many months federal Labor has made it crystal clear that we are committed to retaining all of the existing private health insurance rebates. The Liberals continue to try and scare people into thinking Labor will take away the rebate. This is simply untrue.
Once again we see that the government have no ticker for the truth. They have broken this promise and they are breaking other promises. In the budget they are breaking promises in relation to the Medicare safety net, particularly in areas that I have highlighted already in this place relating to IVF treatment, obstetrics, ultrasounds, cataracts—and the list goes on and on. The Deputy Prime Minister even had the gall to obtain the signatures of more than 1,300 citizens saying that that was a cruel measure that should be stopped. I even learnt today that the now Treasurer also had a petition to go with those of the minister for agriculture and the minister for small business. The have all tabled submissions and they have all rolled over and broken their promise.

The Prime Minister says the buck stops with him. The only bucks the Prime Minister seems to be accumulating are borrowed bucks for his budget black hole and deficit. This is a budget that has been dripping with spending—some 28.6 per cent of GDP, the highest on record—and this is the measure that they think they need to put into this budget. The coalition do not want to add one more red cent to Labor’s debt and deficit, so we put forward a constructive proposal to increase the excise on tobacco by 12½ per cent to pay for the cost of the government not going forward with this measure. But once again they were not interested. The Rudd government’s approach is: ‘It’s our way or the highway. We’re not interested in discussion. We’re not interested in having any engagement, whether it is on this legislation or any other bill before this House.’ It is an arrogant approach to government, which the people of Australia are waking up to. They are now seeing both faces of this government and they are seeing both faces of this Prime Minister and they do not like what they are seeing. We do not like what we see in this bills package and we will not vote for it.

Mr ROBERT (Fadden) (8.25 pm)—I rise to stand up for the hardworking residents of my electorate, the mums, dads and kids of the northern Gold Coast, by voting against the bills package that Labor has put forward. I stand here with great pride to vote against the Fairer Private Health Insurance Incentives Bill 2009. I can only imagine the embarrassment of the government and their backbenchers. For those who do not know how parliament works, and there are many such people in the country, the whips decide on a speaking list and that determines the fair and orderly working of the parliament. I look at the speaking list in front of me and I see a long list of members of the Liberal and National parties—the coalition—defending their members as I stand here today to defend the 53,168 members of the electorate of Fadden—55 per cent of my electorate covering 73,392 people—who have private health insurance. But as I look at the speaking list, which tells me the order in which people will debate and stand up for what they believe in in this House, and look at the Labor side of the page, one can only imagine my surprise when I see it is blank. It is absolutely blank. There is no-one speaking.

The bill introduced before this one was the Fair Work (Transitional Provisions and Consequential Amendments) Bill 2009, through which Labor are looking to monumentally screw the workforce of this nation, and the list of their speakers is as long as your arm. But when it comes to standing up for the health of hardworking Australians not one is there. There is no-one speaking here. The minister introduced it and then there is no-one else, not a sausage. If I can use those famous words of Toyota, there are bugger-all speakers on behalf of the government—none. Do they care so little about the private health insurance issue, do they care so little
about insurance needs and do they care so little about the health of Australians that not a single member of the government has the courage of their convictions and has the ticker for the truth to come in here and defend the health of their constituents? I find it outrageous that not a single member of the governing party has the courage to stand here and defend their constituents and their healthcare needs.

I am disappointed that the government has lost complete control of the nation’s finances. I think Australians are becoming deeply anxious about the level of control of the finances that has indeed been lost. What I am grossly disappointed about is that, because it is looking as if peak debt is rising to $315 billion, the Labor government are now seeking to pull some of that reckless debt back by sacrificing the health of Australians on the altar of their reckless spending. Their changes are seeking to put in a means test for singles at $75,000 and for families at $150,000 whereby the public health insurance rebate, the current 30 per cent rebate, will be gradually decreased with different thresholds for children and decreasing thresholds as income rises.

If you look at what the Labor government said prior to and since the last election, you will see that four times the Prime Minister made it clear that he would not do this. On 24 August 2007, in an interview with Leon Byner, the Prime Minister was asked:

Lorraine wants to know if you are going to take off the rebate for private health funds which currently the government supports, that’s the 30 per cent rebate we are talking about.

The Prime Minister said:
Absolutely not.

In a letter to the AHIA on 20 November 2007, the Prime Minister said:
Both my Shadow Minister for Health, Nicola Roxon, and I have made clear on many occasions this year that Federal Labor is committed to retaining the existing private health insurance rebates, including the 30 per cent general rebate and the 35 and 40 per rebeates for older Australians.

On 25 February 2008 in a press conference in the Prime Minister’s courtyard, Mr Rudd said:
The private health insurance rebate remains unchanged and will remain unchanged.

Still on 25 February 2008, he reiterates it. Three times the Prime Minister stood there, unequivocally saying to the nation, ‘We will not change this.’ His Minister for Health and Ageing made the point four times that she would retain the health rebate. On 26 September 2007, just before the election, she said:

On many occasions for many months, Federal Labor has made it crystal clear that we are committed to retaining all of the existing Private Health Insurance rebates, including the 30 per cent general rebate and the 35 and 40 per cent rebates for older Australians … The Liberals continue to try to scare people into thinking Labor will take away the rebates. This is absolutely untrue.

That is her first unequivocal statement. On 18 May 2008, on Macquarie radio, the health minister said:

We continue to support the 30 per cent, 35 per cent and 40 per cent rebate for those Australians who choose to take out private health insurance.

On 8 October 2008, we had the third unequivocal statement by the health minister:

Private health insurance consumers will still be able to claim the 30 to 40 per cent rebate and the lifetime health cover incentives will remain in place.

Finally, on 24 February 2009, she told the Age:

The government is firmly committed to retaining the existing private health insurance rebate.

That is what Minister Roxon told the Age. There we have three unequivocal statements by the Prime Minister and four equally un-
equivocal statements by the health minister—seven statements in total—that the private health insurance rebate would not be touched. You would think, if a prime minister and health minister were worthy indeed of their word, they would only have to say it once, but they told the nation seven times that their vote was safe with Labor. They looked families in the eye and said, ‘The health of your families is safe with us.’ Prior to the election, the Prime Minister said to the people and the families of Australia, ‘You vote for me and the health of your families is safe’—reinforced by seven firm statements. The result: nothing short of a bright shining lie.

Labor hate private health insurance. That is why everyone was so wary of their motives and intent, why they were questioned so diligently prior to the last election and since and why there was a degree of circumspection and cynicism. Seven times they said it was fine. Seven times they lied. In Labor’s policy, in their platform, in their pedigree, in their DNA, in their deeds and now in their debt, they hate private health insurance with every part of whom they are. It is ideologically driven. They simply want everyone to be in the same public system.

Let me remind this duplicitous government of the state of our public health system—the system that Prime Minister Rudd said he would take over 18 months after his election if it was not fixed. Queensland Health currently has over 36,000 people on the waiting list. There are a further 159,000 waiting to get on the waiting list. How that could possibly be construed as ‘fixed’ is beyond me. On the Gold Coast there is only one public hospital—Gold Coast Hospital. Right now, if you go to Gold Coast emergency—the biggest emergency department of any Queensland Health hospital—you have a 45 per cent chance of waiting eight hours in emergency to be seen. In this environment, this government wants to take away the private health insurance rebate which, on its own estimates, will lead to tens and tens of thousands of Australians leaving private health and, therefore, going into the public health system that is already overloaded and stretching at the seams. The question is: how has ideology become so bad as to overtake and confound common sense?

We do not seek to frustrate the government’s budgetary process. Whilst we are appalled at the debt, whilst I am personally shocked at the amount of debt within 18 months—from a massive surplus to the dreadful debt position we are in—and whilst it appals every fibre of who I am, I do understand that the government needs to run the country, however badly I think it is doing it. Hence, in the budget reply, the Hon. Malcolm Turnbull, the Leader of the Opposition, proposed a 3c tax per cigarette—a 12.5 per cent across-the-board tax—to make up the revenue that would be lost. Yet here we have a perfectly sound opportunity to provide a tax to further dissuade Australians from using cigarettes, which are a burden on our health system, but the government chose to ignore it to continue its ideological assault on health. There is nothing that can be done with the bill except to vote against it. For the sake of the 73,000 Australians covered by private health insurance in the great electorate of Fadden on the northern Gold Coast, in good conscience I can do nothing else.

Mr HAWKE (Mitchell) (8.37 pm)—I rise tonight to speak on behalf of the 76 per cent of electors within my electorate who have private health insurance. I take this legislation before the House tonight as something that is very serious for those people and indeed for people with private health insurance around the country. This legislation and the series of legislation that we are seeing before the chamber day after day in this place goes to the question: what kind of society would
we like to see in the future here in Australia? And, to ask that question in the area of health: as a parliament today, what kind of society do we envisage in the future and what kind of system will take care of the future health needs of so many Australians?

It is bills such as the wrongly titled Fairer Private Health Insurance Incentives Bill 2009 and the cognate bills that we are debating here tonight that to me form part of a great problem for us: this government unequivocally hates private health. That is a big problem for Australia’s future, because private health is an integral part of the system that we have created here in Australia that provides us with such a great standard of living and will continue to sustain so many people in the future. We have avoided so many of the problems of the United States of America and other countries not just because we have a Medicare or public health system but because we have a recognition that private health is so important and because those people who can pay for their health insurance continue to do so. That is why legislation such as the legislation before us tonight is so retrograde—it undermines the system that has provided us with such great-quality health care. It is legislation that will see a diminishment of private health in Australia, that will make it harder for people to sustain their private health arrangements and continue to maintain their current level of health care.

As one of the youngest members here, I can report to this House that, anecdotally, the first reaction of the friends and people I have spoken to, upon hearing on budget night that the government proposed to change the rebate system for private health, was: ‘Well, if it’s going to become more expensive, I’m going to drop my private health insurance. I’m going to lower the amount that I pay to cover myself. I’m going to seek a cheaper form.’ That will undoubtedly be the reaction of many people. Once the government penalises those who have made arrangements for their own health care, that will be a common reaction. That will, of course, mean a greater load on the public health system—a greater load on those who can afford it least.

The member for Fadden quite rightly pointed out that not many members of the government have spoken in relation to this legislation. I think he made some excellent points about why that was. I want to record that I think it is quite right to say that very few members of the government are willing to show their faces here today in this chamber to support private health. After visiting recently in my electorate the North West Private Hospital, which is due to open in October, I can confirm that this fantastic facility, which has 10 state-of-the-art operating theatres, is perhaps going to be one of the most beneficial medical facilities in western and north-western Sydney. I can tell this House that not one state or federal health minister was willing to come and open this facility.

My understanding is that the facility cost a mere $145 million—$145 million for a 170-bed hospital with 10 state-of-the-art operating theatres—and was fully equipped for just an additional $90 million. To me that seemed a surprisingly small amount of money, so I asked the health facilitators, the operators of the joint venture, that have provided this wonderful facility within my electorate: could this be done in the public sector? They advised me that they did not believe there could be a way of building such a state-of-the-art facility within the public sector for less than double the cost.

I record that here tonight just to note that we ought not to view private health as some sort of enemy of the public health system. We ought not to view those people who seek to make arrangements for their own health care as somehow problematic, as causing us
an inconvenience or as seeking to undermine the public health system. Indeed, they are not. The people who choose to have private health insurance to pay for another form of health care are assisting the public health system. They are making it easier for people to get ahead. They are providing us with a system where people who cannot afford their own health care can get the treatment that they need.

So legislation such as today’s, which seeks to penalise or treat in a punitive way people who have made provision for themselves, is, of course, retrograde legislation. It will not advance the cause of health care in this country. It will take it backwards. I think all members of this House, if they were being up-front, would acknowledge that, if we saw a diminishment of private health, we would also see a diminishment of the public health system. Any measure, therefore, which helps private health will also help the public system. That is one of the great ironies and the great warning signs that we need to take note of in this place.

When we think about this legislation and why we are here tonight, it is very important to note that we are here as a result of a broken promise by the government. For many months as a new member of this place I heard the trumpeting of the government about how they had met all of their election commitments and the continual paying out of John Howard as someone who somehow did not meet his election commitments, who did not deliver on what he promised. And yet here we are tonight, after so many promises and complete guarantees from the Labor Party when they were in opposition about this health insurance rebate system. It is absolutely galling that we find ourselves in this situation, with the Labor Party directly breaking an election promise, an election commitment, to the Australian people.

It is all the more important that we note tonight that the Prime Minister, when he was opposition leader prior to the election, committed on several occasions to the private health insurance rebate. He made that clear. In a letter to the AHIA on 20 November 2007, he wrote:

Both my Shadow Minister for Health, Nicola Roxon—

who is now the minister for health—

and I have made clear on many occasions this year that Federal Labor is committed to retaining the existing private health insurance rebates, including the 30 per cent general rebate and the 35 and 40 per cent rebates for older Australians.

This is not the only example. I will not take up the time of the House with all of the examples, because they are numerous.

Mr Hartsuyker—Very numerous!

Mr HAWKE—They are numerous, as the member for Cowper rightly points out. The Labor Party went out of their way to assure every Australian—whatever their concern, whatever their level of private health insurance—that in office they would not change the private health insurance rebate system. They gave that guarantee deliberately. They gave it so that all Australians in voting for them would feel comfortable that nothing would happen to the private health insurance rebate system. Yet, here we are tonight. In my view it is part of the Robin Hood rhetoric that we have heard constantly from the government—taking from the rich and giving to the poor.

However, they seem to forget something. They forget something that is completely and utterly significant in this debate. I want to record it on behalf of the one million Australians who live in households where the annual income is less than $26,000 and who have private health insurance. I want to state that one more time. There are one million Australians who live in households where
the annual income is less than $26,000 and who hold private health insurance. So the contention that private health insurance is somehow something for the rich, something that is the purview of people living in the land of plenty, is completely false. The Robin Hood rhetoric and narrative that has been developed by the government is also false. It is a smokescreen for the fact that they are breaking promises to pay for the debt they have racked up on behalf of all Australians. Indeed, that debt has been racked up.

When you look at the hypocrisy we have seen in these measures, it is important to note that there are some 11 million Australians with private health insurance. This is not something for us to be alarmed about. This is not something about which we should think, ‘Well, how do we encourage people back into the public health system?’ If you were seeking to destroy private health and force people back into the public health system, the measure before us tonight would be a good start on that road. It would be a way to make an incremental change. That is why I am happy and comfortable tonight in opposing the legislation before the House. We ought not take steps down the path towards dismantling the private health system. Where people choose to invest their capital in their own health care we ought to encourage and reward them for doing so. Their health is important.

It is not right for us to have committee after committee. I saw last night the health and ageing committee report on obesity in this country. There is an easier way than having government reports and government committees looking into obesity—that is, to encourage a system where more Australians take more care for their own health. Indeed, that is what a private health system does. Eleven million Australians think it is valuable for them to invest part of their capital in looking after their own health. What could be wrong with that? In fact, there is nothing wrong with that. We ought to encourage and reward that in this place. It gives me nothing but pleasure to support the 76 per cent of my electorate who have chosen private health insurance and who continue to value a system where we have a strong private health sector and a strong public health sector. I have no hesitation in opposing this legislation.

Mr HARTSUYKER (Cowper) (8.49 pm)—I welcome the opportunity to speak on the very important Fairer Private Health Insurance Incentives Bill 2009 and related bills before the House. We have a health system that depends on the interface between the private system and the public system. Without the private sector, the public system could not cope with the demands on its services. Without the public system, there would be no safety net to ensure that people got the medical care that they needed regardless of their ability to pay. We have a system that uses a combination of price signals and waiting lists to regulate its operation. One fallacy about our health system—and there are many who believe it—is that health is a free service. Nothing could be further from the truth. Health is not a free service. It is a very expensive service. It is a huge drain on the budgets of our federal and state governments. It is a service that is delivered by highly skilled and highly trained professionals, at great cost to the community.

The reality is that the members opposite have a pathological hatred of private health insurance. This legislation represents a preliminary step on their quest to dismantle the private health insurance system. They want to ensure equity. They want to ensure equity by herding everybody into the public system, a system that just would not cope under the load. It may sound illogical, but that is Labor ideology at work—we will get equity by cre-
ating a system that will ultimately collapse under the load! In my electorate of Cowper some 32,900—or 35 per cent of those in the electorate—have private health insurance. Cowper is not a wealthy electorate. It is one of the lower socioeconomic status electorates in the country, yet 35 per cent of people in the electorate have elected to take out private health insurance. Many people come up to me and ask, ‘What is going to happen as a result of this legislation?’ They say: ‘I can’t afford to not be privately insured. The hospital waiting lists are too long. But I can’t afford to pay more for premiums either.’ They feel very concerned by this legislation. They are very worried by the government’s agenda to wind back private health insurance. This legislation represents a preliminary step along that road.

The Rudd government is slugging people with private health insurance to help pay for its reckless spending. All those retaining their private health insurance will ultimately pay higher premiums, and those dependent on the public system will face longer waiting lists. Those earning over $75,000 will face higher premiums and a loss of their rebate. As I said, for the uninsured as well this legislation is bad news because the length of the waiting list will increase.

As the previous speaker said, the reality is that many people take out private health insurance despite being on low incomes. This legislation represents an instalment on one of Mr Rudd’s broken promises. I note that he wrote to the AHIA on 20 November 2007 and said:

Both my Shadow Minister for Health, Nicola Roxon, and I have made clear on many occasions this year that Federal Labor is committed to retaining the existing private health insurance rebates, including the 30 per cent general rebate and the 35 and 40 per cent rebates for older Australians.

Mr Rudd, in the Prime Minister’s courtyard on 25 February 2008, said:

The private health insurance rebate remains unchanged and will remain unchanged.

Roxon told the Age on 24 February 2009:

The government is firmly committed to retaining the existing private health insurance rebates.

But the reality is that Labor hates private health insurance and is looking for a way to finance its spiralling debt, and cutting out private health insurance rebates is one way of achieving that. The coalition put forward an alternative proposal which would retain the current arrangement but fund it through an increase in the tobacco excise. This would have ultimately meant improved health outcomes, less expenditure on health care for those who smoke and reduced consumption of tobacco. It was a win-win solution. But, as always with this Prime Minister, his way is the only way. He has been proven so wrong many times before.

This government and the state governments are not honest with public hospital waiting lists. We see hospital waiting lists lengthening—and what do they do? They disguise them. Through sleight of hand, they make waiting lists shorter than they appear. We have all heard from doctors who say that they know what their waiting lists are, yet the actual waiting lists appearing on the hospital records are far shorter. Hospital waiting lists are being disguised through sleight of hand. Hospital waiting lists are being disguised to cloud the true position of the health system. It is absolutely outrageous.

We are coming up to a milestone because on 30 June we get to assess the Prime Minister on one of his promises. The promise he made—a very solemn promise it was—was that the buck stopped with him on health. This legislation is not a very good precursor to that day where he is actually dismantling the private health insurance system through
the measures in these bills, but the buck stops with him on health. We will be holding him to account for that promise. I do not have to look very far in my electorate to find many examples of where our health system is failing. The Mid North Coast Area Health Service is in the process of sacking 400 staff. I do not know how you can possibly maintain and improve health services by sacking 400 staff in an area where the population is ageing and growing. It was interesting to hear the head of the Mid North Coast Area Health Service, Chris Crawford, make the Orwellian claim that it was going to deliver more efficient services and more procedures by sacking 400 staff. I ask the members opposite and the members of this House to question that statement in light of the Prime Minister’s promise that on 30 June the buck stops with him on health. How can you deliver better services, more procedures and more efficient health if you are going to sack 400 staff from the health service? It is absolutely outrageous.

The smaller hospitals in my electorate—the hospitals in Maclean, Macksville, Bellingen and Kempsey—are invariably concerned for their future. The smaller hospitals are always concerned that they are under pressure to downgrade services. We had a situation at Maclean where the Mid North Coast Area Health Service was attempting to sell off land, the funds from which were going to be diverted to another hospital out of the Maclean area. It is absolutely outrageous—a hospital under pressure and under threat of downgrading services. The people in the Bellingen community are equally concerned, as are the people in the Macleay Valley with regard to the Kempsey hospital. The Kempsey hospital is another example of a hospital under pressure of having its services downgraded. It is a hospital whose infrastructure dates back not to the 20th century but to the 19th century so old are some of the buildings. It is infrastructure that cannot cope with the needs of 21st century medicine. It is infrastructure that has been sadly neglected by Labor in state government. It is infrastructure that deserves to be upgraded if the Prime Minister is going to meet his promise that health services are going to be miraculously up to scratch by 30 June—or the buck stops with him.

We will be interested to see what the Prime Minister concludes on that fateful day. We will be interested to see what he says to the Australian people. We will be interested to see whether he is going to keep his promise, because I sadly doubt it. I feel that 30 June will come and it will go and we will have no resolution from this government or the Prime Minister as to whether health services are up to scratch. I think one thing will become clear: this Prime Minister will shirk his responsibility that the buck stops with him.

In conclusion, I say that this is very much a retrograde step for the people of Australia. Placing more pressure on the public hospital system cannot be good for health outcomes. Everywhere you go, the public hospital system is buckling under the strain. Everywhere you go and talk to people, they are struggling to pay their private health insurance premiums. This measure is only going to lengthen hospital waiting lists. This measure is only going to increase the pressure on the public system. This measure is only going to push up the cost of private health insurance for people who are struggling to pay it. I certainly oppose this legislation and the government should be condemned for introducing such a retrograde step to our health system.

Mr SLIPPER (Fisher) (8.59 pm)—I also oppose the Fairer Private Health Insurance Incentives Bill 2009 and related bills because I believe that the parliament of Austra-
lia ought to hold the government of Australia to its promises. I also speak on behalf of the 58,299 people in the electorate of Fisher who, as at 1 January this year, are covered by private health insurance. All of us believe that good quality health services are absolutely essential in 2009. We are a country which has been perceived to be the lucky country, and over the years we have had relatively good health services. One of the challenges that the former Howard government had was that people were dropping out of the private health insurance system and those who remained were paying ever higher premiums, and also it meant that people who were dropping out of the system moved into public health and extended waiting lists even further.

The way to have a prosperous and successful public health system is to have a large proportion of the community covered by private health insurance because people who are covered by private health insurance largely will not use public hospitals, and that means that the public hospitals are available for those people who do not have private health insurance or who cannot afford private health insurance even with the assistance of rebates. The legislation before the chamber will have the effect of discouraging people either from entering into private health insurance or from continuing to be in private health insurance. I just think that it is one of the most retrograde pieces of legislation that I have ever seen in the parliament during the period of my service. The rebates are being reduced to 20 per cent for singles earning between $75,001 and $90,000 and families earning between $150,001 and $180,000, and reduced further to 10 per cent for singles earning between $90,001 and $120,000 and families earning between $180,001 and $240,000.

We have a situation where the government has been thoroughly irresponsible in the economic area. It inherited a budget that was in surplus, and now we have moved from a situation of absolutely no government debt to a position where we have mortgaged the future for generations to come. There is $300 billion of debt that this government has sought to impose on today’s Australians and tomorrow’s Australians and Australians into the future. Australians are now paying the price for the government’s reckless spending, including spiralling and out-of-control debt and deficits, which will be before us for a very long period of time.

The government had an option, which was pointed out by the Leader of the Opposition in his budget reply speech, and what could have happened is that there was an increase in the excise on tobacco. That would have meant that the Prime Minister and the government would have been able to make those savings and allow people to continue to receive the private health insurance rebate at the rate that it currently is. I simply do not know why the government seeks to encourage the use of tobacco at the same time as it is forcing people out of the private health insurance system.

Let us look at a number of the promises made by the Prime Minister and by the Minister for Health and Ageing over the months and years which helped to assure people that they would not tinker with this system. But the system has been attacked by this government and a lot of people would feel that they voted on a fraudulent basis at the last election. They voted believing the government would not play with the private health insurance system, yet what is being delivered by this government is quite different from the rhetoric and promises that were delivered by the government when it was in opposition. The Prime Minister in an interview with Leon Byner on radio FIVEaa on 24 August 2007 had this exchange:
BYNER: All right, now, let me ask you a couple of questions that listeners have called in on—
Lorraine wants to know if you are going to take off the rebate for private health funds which currently the Government supports, that’s the 30 per cent we’re talking about?
The Prime Minister answered:
Absolutely not.
The Prime Minister in a letter to the AHIA on 20 November 2007 said:
Both my Shadow Minister for Health, Nicola Roxon, and I have made clear on many occasions this year that Federal Labor is committed to retaining the existing private health insurance rebates, including the 30 per cent general rebate and the 35 and 40 per cent rebates for older Australians.
The Prime Minister on 25 February 2008 at a press conference in his courtyard said:
The Private Health Insurance Rebate policy remains unchanged and will remain unchanged.
The now Minister for Health and Ageing, then shadow minister, in a media release on 26 September 2007 said:
On many occasions for many months, Federal Labor has made it crystal clear that we are committed to retaining all of the existing Private Health Insurance rebates, including the 30 per cent general rebate and the 35 and 50 per cent rebates for older Australians.
The Liberals continue to try to scare people into thinking Labor will take away the rebates. This is absolutely untrue.
The health minister on 24 February this year said to the Age:
The Government is firmly committed to retaining the existing private health insurance rebates.
The minister for health accuses the opposition of trying to scare people into thinking Labor will take away the rebates. What Labor is doing in this legislation is diminishing the rebates, taking away some of the rebates, and it is really sad when the government of the country has been caught telling untruths.
The attitude of the government towards private health insurance simply represents an ongoing ideological hatred of private health insurance, which the Labor Party has possessed for a very long time. It is a poorly considered, ideologically driven policy. Despite the Prime Minister’s Robin Hood rhetoric, one million Australians with private health insurance live in households where the annual income is less than $26,000 and all of those people will be affected.
We believe that it is right for all Australians to take charge of their own healthcare needs and plan for the future. We have always worked hard to deliver incentives to promote the uptake of private health insurance and to take the pressure off Medicare. These were key reforms by the former Howard government. These are reforms which are being unwound in this legislation. These are reforms which are being unwound as a result of the government breaking the promises that it made not once, not twice, not thrice, but over and over again. There would have been many people who voted in the election on 24 November 2007 on the basis of the promises of the government not to interfere with private health insurance, but obviously the government has its core promises and its non-core promises. Clearly it seems to me that any promise made by this government would go into the category of a non-core promise.
Let us look at what organisations like the Australian Health Insurance Association have said. They said, on 12 May 2009:
The Rudd government’s decision to dismantle the private health insurance rebate will place increased pressure on the public hospital system and force up premiums for those Australians who take responsibility for their own health care by taking out private health cover.
The AMA said, on the same date:
Changes to the 30% Private Health Insurance Rebate mean many Australian singles and families will pay a lot more for health insurance, and
if you don’t keep your private health insurance you’ll be supplied with an increased Medicare levy surcharge. They get you both ways.

The Australian Private Hospitals Association said on 12 May:

The changes to the private health insurance rebate announced in tonight’s budget are a clear breach of election promises made by the Rudd Government.

The National Association of Specialist Obstetricians and Gynaecologists have pointed out in a press release:

Federal budget announcement to wind back safety net rebates for private obstetric services will significantly affect affordability for the majority of Australian women choosing to hear from specialist obstetricians.

Dr Pesce, President of the National Association … said this is a disappointing outcome for women who seek choice, access and affordability for pregnancy care.

The Heart Foundation have said in respect of tobacco:

Price increases are one of the most effective best ways of encouraging smokers to quit as well as deterring young people from starting.

The AMA said on 15 May that it welcomed a proposed increase in tobacco tax.

So the government has the choice of increasing tobacco excise and leaving the private health insurance rebate where it is. The government has the choice of improving the health outcome for Australians by discouraging tobacco use on the one hand or, on the other hand, it has the choice of breaking a promise made by the health minister and the Prime Minister and numerous other luminaries in the government over a very long period of time.

I have a lot more to say but quite regrettably, because of the time constraints and the arrangements made between the whips, I must conclude now. I do want to say I very strongly oppose this legislation. It is bad legislation; it is legislation which breaks an election promise. It is not necessary to break that promise because there is a clear alternative there and that is to increase the tobacco excise. The same amount of revenue would have come from increased tobacco excise and it would have meant that so many Australians who will be forced out of the private health insurance system would have been able to stay there. The best way to have a strong public health system is to have a strong private health system, and this government through the changes in this legislation will undermine both the private health system and the public health system. It stands condemned.

Ms ROXON (Gellibrand—Minister for Health and Ageing) (9.10 pm)—I appreciate the opportunity to sum up on this debate in which many members of the House have spoken. I thank them for their contributions. The Fairer Private Health Insurance Incentives Bill 2009, the Fairer Private Health Insurance Incentives (Medicare Levy Surcharge) Bill 2009 and the Fairer Private Health Insurance Incentives (Medicare Levy Surcharge—Fringe Benefits) Bill 2009 will amend the various acts to give effect to our recent budget measures to introduce three new private health insurance incentive tiers.

The government has made clear that it supports a mixed model of balanced public and private health services, and striking the right balance is something the government is determined to do in maintaining a universal system with both public and private providers. In our health system we see this as a complementary way that services can be provided. They do not need to be supplementary or competitive. To help ensure that the private health system remains a sustainable part of the system, the government is rebalancing support for private health insurance. The government believes that our targeted reforms will provide a fairer distribution of
benefits because the government does not believe that low-income earners should be subsidising the private health insurance for high-income earners. At the same time, high-income earners will also face increased costs if they opt out of health cover.

I would like to respond briefly to a number of comments raised in the debate, particularly by the member for Dickson. Firstly, we have changed our policy in respect of the private health insurance rebate because the rebate was becoming unsustainable. In a budget that has taken a $200 billion hit as a result of the biggest global financial crisis in 75 years, this is not surprising. Clearly this presented a challenge in the current fiscal environment. The global financial crisis forced the government to make a tough decision about what was right for Australia in the long term, and the $1.9 billion saving to government expenditure over four years associated with these reforms will help ensure the government’s support for private health insurance remains fair and sustainable. We believe we need to use taxpayers’ money wisely, and those that can afford to pay more should pay more. I can assure you that this was a hard decision and one that was not taken lightly. But it is the right decision for Australia’s long-term financial future.

In respect of sustainability, I have previously indicated that these reforms will bring government support for private health insurance in line with the principle underpinning the Australian tax transfer system—something understood very well by the member for Dickson—that the largest benefits are provided to those on the lowest incomes. In fact, we heard very many speakers from the other side feigning concern about those on the lowest incomes who have private health insurance, when in fact these changes do not have any impact on the rebate that those low-income earners receive. In fact, it is quite the opposite—what these changes mean is that low-income earners will no longer be subsidising the rebate paid to high-income earners, like those of us in this House who can well afford to contribute to our private health insurance ourselves. Putting the private health insurance rebate onto a sustainable footing also ensures that the government will have the capacity to continue to support the rebate into the future for those who most need our support. This is a fairer, more sustainable system and a better use of the precious health dollar.

I do have to ask whether members opposite seriously think it is fair that high-income earners should have their health insurance costs subsidised by people who are not nearly as well off. This side of the House does not think so, and we do not think that such an arrangement is affordable. Spending on the current rebate was growing quickly and was expected to double as a proportion of health expenditure by 2046-47. Obviously those health projections are a long way out, but that level was not sustainable into the future. Annual indexation, however, of these new tiers is tied to average weekly earnings and will ensure that these changes remain equitable into the future. These changes are logical—even more logical given the global financial situation—and they are targeted, sensible changes. Separated from much of the rhetoric that we have heard in this debate and that often surrounds the health debate, these are just reasonable changes for us to make.

Many of the speakers opposite also raised concern about the impact on public hospitals—this is, I might note, for many of them a newfound concern for public hospitals. However, in my second reading speech, which I will not go through again in detail, I explained that the estimated impact of this measure is that around 25,000 people may drop their private health insurance, of which about 8,000 people over two years would
require admission to hospital. On the basis of that modelling, when you consider that our public hospitals admit 4.7 million people every single year—that is over nine million admissions every two years—this is a drop in the ocean. The Australian Healthcare and Hospitals Association made that clear in their statements:

AHHA dismissed the concerns of the Opposition and the private health insurance industry that means testing would result in increased pressure on the public health system. There is no evidence to support this claim and as a peak body for public health services AHHA has no such concerns, provided the funds that are saved by this measure are directly invested back into public health care.

Of course, the government’s record investment under the new $64 billion Council of Australian Governments agreement, where hospitals will receive 50 per cent more than they did under the previous government’s last agreement, clearly demonstrates that the government is serious about boosting capacity and services in public hospitals. Further, our investments in preventative health will assist us in keeping people out of hospital in the first place.

Regarding the effect on premiums, a matter also raised by a number of members in the debate, we expect these changes to have minimal adverse impact on private health fund membership because 99.7 per cent of insured people are expected to retain their private health insurance. This is because, of course, those with higher incomes who receive a lower rebate will face an increased tax penalty if they avoid private health insurance. The member for Dickson quoted doom and gloom from a few health sector figures—the Australian Health Insurance Association and the Australian Private Hospitals Association—but there are many other views with a contrary perspective, such as, as I have already indicated, the AHHA but also, for example, Professor John Dwyer, former chair of the Australian Health Care Reform Alliance, who said:

The people that are heavy users of private health insurance or would anticipate that they might be, especially older Australians, will bite the bullet and stay in the system because they had private health insurance before the 30 per cent rebate came in anyway.

Finally, I come to the amendment moved by the member for Dickson to impose more tax on tobacco. Firstly, after railing in another context about how we do not need any new taxes, something must have happened to the member for Dickson—he has found a road to Damascus. Now, all of a sudden, it seems that new taxes are de rigueur, which is particularly curious given his complete lack of action in this area when he was the Assistant Treasurer in the previous government with control of the tax policy levers.

In terms of tobacco taxes, there are two processes currently in progress which we will look at on their merit: firstly, the Henry review of taxation; and, secondly, the National Preventative Health Taskforce. When the government has received these reports, it will consider its position in a considered fashion taking into account all the evidence. So we will not be supporting the amendment as part of this debate. If the opposition are serious about taxes, they should now support the government’s alcopops measure.

In summary, we believe that this measure will make the private health insurance system fairer and more balanced. It will keep our health budget on a more sustainable footing in the long term. By maintaining a carefully designed system of carrots and sticks, it will have a negligible effect on both premiums and the public hospital system. I also table some minor corrections. I understand the figure of $1 needs to be added in a number of places to the explanatory memorandum and I table those corrections.
Question put:
That the words proposed to be omitted (Mr Dutton's amendment) stand part of the question.
The House divided. [9.23 pm]
(The Deputy Speaker—Hon. AR Bevis)
Ayes............ 73
Noes............ 65
Majority........ 8

AYES
Adams, D.G.H. Albanese, A.N.
Bidgood, J. Bird, S.
Bowen, C. Bradbury, D.J.
Burke, A.E. Byrne, A.M.
Butler, M.C. Champion, N.
Clare, J.D. Collins, J.M.
Combet, G. Crean, S.F.
D’Ath, Y.M. Danby, M.
Debus, B. Dreyfus, M.A.
Elliot, J. Ellis, K.
Emerson, C.A. Ferguson, M.J.
Fitzgibbon, J.A. Garrett, P.
Georganas, S. Gillard, J.E.
Gibbons, S.W. Grierson, S.J.
Gray, G. Hale, D.F.
Hayes, C.P. * Jackson, S.M.
Kerr, D.J.C. King, C.F.
Livermore, K.F. Macklin, J.L.
Marles, R.D. McClelland, R.B.
McKew, M. McMullan, R.F.
Melham, D. Murphy, J.
Neal, B.J. Neumann, S.K.
O’Connor, B.P. Owens, J.
Parke, M. Perrett, G.D.
Plibersek, T. Price, L.R.S.
Raguse, B.B. Rea, K.M.
Ripoll, B.F. Rishworth, A.L.
Roxon, N.L. Saffin, J.A.
Sidebottom, S. Snowdon, W.E.
Sullivan, J. Symon, M.
Tanner, L. Thomson, C.
Thomson, K.J. Trevor, C.
Turnour, J.P. Vanvakinou, M.
Zappia, A.

NOES
Abbott, A.J. Andrews, K.J.
Baldwin, R.C. Billson, B.F.
Bishop, B.K. Bishop, J.I.
Briggs, J.E. Broadbent, R.
Chester, D. Ciobo, S.M.
Cobb, J.K. Costello, P.H.
Coulton, M. Dutton, P.C.
Farmer, P.F. Forrest, J.A.
Gash, J. Georgiou, P.
Haase, B.W. Hartsuyker, L.
Hawke, A. Hawker, D.P.M.
Hockey, J.B. Hull, K.E. *
Hunt, G.A. Irons, S.J.
Jensen, D. Johnson, M.A. *
Katter, R.C. Keenan, M.
Laming, A. Ley, S.P.
Lindsay, P.J. Marino, N.B.
Markus, L.E. May, M.A.
Mirabella, S. Morrison, S.J.
Moylan, J.E. Nelson, B.J.
Neville, P.C. Oakeshott, R.J.M.
Pearce, C.J. Pyne, C.
Ramsey, R. Randall, D.J.
Robb, A. Robert, S.R.
Ruddock, P.M. Schultz, A.
Scott, B.C. Secker, P.D.
Simpkins, L. Slipper, P.N.
Smith, A.D.H. Somlyay, A.M.
Southcott, A.J. Stone, S.N.
Truss, W.E. Tuckey, C.W.
Turnbull, M. Vale, D.S.
Washer, M.J. Windsor, A.H.C.
Wood, J. * denotes teller

Question agreed to.
Original question put:
That this bill be now read a second time.
The House divided. [9.28 pm]
(The Deputy Speaker—Hon. AR Bevis)
Ayes............ 73
Noes............ 65
Majority........ 8

AYES
Adams, D.G.H. Albanese, A.N.
Bidgood, J. Bird, S.
Bowen, C. Bradbury, D.J.
Tuesday, 2 June 2009

HOUSE OF REPRESENTATIVES

5287

Burke, A.E. Burke, A.S. Burk, S.A.
Byrne, A.M. Cheeseman, D.L. Combet, G.
Collins, J.M. Cren, S.F. Danby, M.
Debus, B. Dreyfus, M.A. Ellis, K.
Elliot, J. Ferguson, M.J. grey, G.
Emerson, C.A. Garrett, P. Gil, dard, R.B.
Fitzgibbon, J.A. Georganas, S. Gillard, J.E.
Gibbons, S.W. Gief,刘备, J.F. Gil, land, R.B.
Gray, G. Gillard, J.E. Gil, land, R.B.
Hale, D.F. Hall, J.G. * Haase, B.W.
Hayes, C.P. * Hall, J.G. * Hawke, A.
Jackson, S.M. Hall, J.G. * Hawker, D.P.M.
Kerr, D.J.C. Hall, J.G. * Hawker, D.P.M.
Livermore, K.F. Hall, J.G. * Hayes, C.P.
Marles, R.D. Hall, J.G. * Hayes, C.P.
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Parker, B. Hall, J.G. * Hayes, C.P.
Parker, B. Hall, J.G. * Hayes, C.P.
Question agreed to.

Bill read a third time.

FAIRER PRIVATE HEALTH INSURANCE INCENTIVES (MEDICARE LEVY SURCHARGE) BILL 2009

Second Reading

Debate resumed.

Question put:

That this bill be now read a second time.

The House divided. [9.33 pm]

(The Deputy Speaker—Hon. AR Bevis)

Ayes........... 73

Noes........... 65

Majority......... 8

AYES

Adams, D.G.H. Albanese, A.N.
Bidgood, J. Bird, S.
Bowen, C. Bradbury, D.J.
Burke, A.E. Burke, A.S.
Butler, M.C. Byrne, A.M.
Champion, N. Cheeseeman, D.L.
Clare, J.D. Collins, J.M.
Combet, G. Crean, S.F.
D’Ath, Y.M. Danby, M.
Debus, B. Dreyfus, M.A.
Elliot, J. Ellis, K.
Emerson, C.A. Ferguson, M.J.
Fitzgibbon, J.A. Garrett, P.
Georganas, S. Gillard, J.E.
Gibbons, S.W. Grierson, S.J.
Gray, G. Hall, J.G.*
Hale, D.F. Irwin, J.
Hayes, C.P.* Jackson, S.M.
Jackson, S.M. Kelly, M.J.
Kerr, D.J.C. King, C.F.
Livemore, K.F. Macklin, J.L.
Marles, R.D. McClelland, R.B.
McKew, M. Neumann, S.K.
Melham, D. Owens, J.
Neal, B.J. Perrett, G.D.
O’Connor, B.P. Price, L.R.S.
Parke, M. Rea, K.M.
Plibersek, T. Ripoll, B.F.
Raguse, B.B. Rishworth, A.L.
Roxon, N.L. Saffin, J.A.
Sidebottom, S. Snowdon, W.E.
Sullivan, J. Symon, M.
Tanner, L. Thomson, C.
Thomson, K.J. Trevor, C.
Turnour, J.P. Vamvakianou, M.
Zappia, A.

NOES

Abbott, A.J. Andrews, K.J.
Baldwin, R.C. Billson, B.F.
Bishop, B.K. Bishop, J.I.
Briggs, J.E. Broadbent, R.
Chester, D. Ciobo, S.M.
Cobb, J.K. Costello, P.H.
Coulton, M. Dutton, P.C.
Farmer, P.F. Forrest, J.A.
Gash, J. Georgiou, P.
Haase, B.W. Hartsuyker, L.
Hawke, A. Hawker, D.P.M.
Hockey, J.B. Hull, K.E.*
Hunt, G.A. Irons, S.J.
Jensen, D. Johnson, M.A.*
Katter, R.C. Keenan, M.
Laming, A. Ley, S.P.
Lindsay, P.J. Marino, N.B.
Markus, L.E. May, M.A.
Mirabella, S. Morrison, S.J.
Moylan, J.E. Nelson, B.J.
Neville, P.C. Oakeshott, R.J.M.
Pearce, C.J. Pyne, C.
Ramsey, R. Randall, D.J.
Robb, A. Robert, S.R.
Ruddock, P.M. Schultz, A.
Scott, B.C. Secker, P.D.
Simpkins, L. Slipper, P.N.
Smith, A.D.H. Somlyay, A.M.
Southcott, A.J. Stone, S.N.
Truss, W.E. Tuckey, C.W.
Turnbull, M. Vale, D.S.
Washer, M.J. Windsor, A.H.C.
Wood, J.

* denotes teller
Question agreed to.
Bill read a second time.

Third Reading

Ms ROXON  (Gellibrand—Minister for Health and Ageing) (9.35 pm)—by leave—I move:
That this bill be now read a third time.
Question agreed to.
Bill read a third time.

FAIRER PRIVATE HEALTH INSURANCE INCENTIVES
(MEDICARE LEVY SURCHARGE—FRINGE BENEFITS) BILL 2009

Second Reading

Debate resumed.

Question put:
That this bill be now read a second time.
The House divided.  [9:38 pm]

(The Speaker—Mr Harry Jenkins)

Ayes............ 74
Noes............ 65
Majority........ 9

AYES

Adams, D.G.H.
Albanese, A.N.
Bevis, A.R.
Bidgood, J.
Bird, S.
Bowen, C.
Bradbury, D.J.
Burke, A.E.
Byrne, A.M.
Butler, M.C.
Cheeseman, D.L.
Clare, J.D.
Collins, J.M.
Combet, G.
Crean, S.F.
D’Ath, Y.M.
Danby, M.
Debus, R.
Dreyfus, M.A.
Elliot, J.
Ellis, K.
Emerson, C.A.
Ferguson, M.J.
Fitzgibbon, J.A.
Garrett, P.
Georganas, S.
George, J.
Gibbons, S.W.
Gillard, J.E.
Gray, G.
Grierson, S.J.
Hale, D.F.
<table>
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<th>House of Representatives</th>
<th>Tuesday, 2 June 2009</th>
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</table>

Hall, J.G. *  
Irwin, J.  
Kelly, M.J.  
King, C.F.  
Macklin, J.L.  
McClelland, R.B.  
McMullan, R.F.  
Murphy, J.  
Neumann, S.K.  
Owens, J.  
Perrett, G.D.  
Price, L.R.S.  
Rea, K.M.  
Rishworth, A.L.  
Saffin, J.A.  
Snowdon, W.E.  
Symon, M.  
Thomson, C.  
Trevor, C.  
Vamvakinou, M.  
Hayes, C.P. *  
Jackson, S.M.  
Kerr, D.J.C.  
Livermore, K.F.  
Marles, R.D.  
McKew, M.  
Melham, D.  
Neal, B.J.  
O’Connor, B.P.  
Parke, M.  
Pihlert, T.  
Raguse, B.B.  
Ripoll, B.F.  
Roxon, N.L.  
Sidebottom, S.  
Sullivan, J.  
Tanner, L.  
Turnour, J.P.  
Zappa, A.  

NOES

Abbott, A.J.  
Baldwin, R.C.  
Bishop, B.K.  
Briggs, J.E.  
Chester, D.  
Cobb, J.K.  
Coulton, M.  
Farmer, P.F.  
Gash, J.  
Haase, B.W.  
Hawke, A.  
Hockey, J.B.  
Hunt, G.A.  
Jensen, D.  
Katter, R.C.  
Laming, A.  
Lindsay, P.J.  
Markus, L.E.  
Mirabella, S.  
Moylan, J.E.  
Neville, P.C.  
Pearce, C.J.  
Ramsey, R.  
Robb, A.  
Ruddock, P.M.  
Scott, B.C.  
Simpkins, L.  
Smith, A.D.H.  
Southcott, A.J.  
Truss, W.E.  
Andrews, K.J.  
Billson, B.F.  
Bishop, J.I.  
Broadbent, R.  
Ciobo, S.M.  
Costello, P.H.  
Dutton, P.C.  
Forrest, J.A.  
Georgiou, P.  
Hartsuyker, L.  
Hawker, D.P.M.  
Hull, K.E. *  
Irons, S.J.  
Johnson, M.A. *  
Keenan, M.  
Ley, S.P.  
Marino, N.B.  
May, M.A.  
Morrison, S.J.  
Nelson, B.J.  
Oakeshott, R.J.M.  
Pyne, C.  
Randall, D.J.  
Robert, S.R.  
Schultz, A.  
Secker, P.D.  
Slipper, P.N.  
Sonlyyay, A.M.  
Stone, S.N.  
Tuckey, C.W.  
Turnbull, M.  
Vale, D.S.  
Washer, M.J.  
Windsor, A.H.C.  
Wood, J.  

* denotes teller

Question agreed to.
Bill read a second time.

Third Reading

Ms ROXON (Gellibrand—Minister for Health and Ageing) (9.39 pm)—by leave—I move:

That this bill be now read a third time.

Question agreed to.
Bill read a third time.

REGISTER OF MEMBERS’ INTERESTS

Mr FITZGIBBON (Hunter—Minister for Defence) (9.40 pm)—Mr Speaker, on indulgence: when I returned to Australia earlier today, the Prime Minister asked me to ensure my declarations to the Registrar of Members’ Interests were in order. Consequently my staff have identified an occasion in June 2008 where I accepted accommodation paid for by NIB Health Funds. It is well known in this place that my brother is the CEO of NIB Health Funds. The original plan was for me to share accommodation booked by my brother. Due to a last-minute change in his plans, my brother was unable to join me. As a result, I paid for the accommodation. Shortly thereafter I learned that NIB had contacted the hotel, cancelled my payment and substituted it with their own. I can only say that it is this confusion that led me to overlook the need to declare the sponsored accommodation.

The cost of the accommodation was $450. Members will know that any hospitality valued at more than $300 from a private source must be declared. Clearly in this case the value of the accommodation was greater than that. Additionally, at this time I received a ticket from NIB Health Funds to the State of
Origin. This was subsequently declared to the Prime Minister but was below the threshold for declaration to the House. I have written to the registrar today to update my statement of registrable interests. I apologise to the House for this oversight.

**CARBON POLLUTION REDUCTION SCHEME BILL 2009**

Cognate bills:

**CARBON POLLUTION REDUCTION SCHEME (CONSEQUENTIAL AMENDMENTS) BILL 2009**

**AUSTRALIAN CLIMATE CHANGE REGULATORY AUTHORITY BILL 2009**

**CARBON POLLUTION REDUCTION SCHEME (CHARGES-CUSTOMS) BILL 2009**

**CARBON POLLUTION REDUCTION SCHEME (CHARGES-EXCISE) BILL 2009**

**CARBON POLLUTION REDUCTION SCHEME (CHARGES-GENERAL) BILL 2009**

**CARBON POLLUTION REDUCTION SCHEME (CPRS FUEL CREDITS) BILL 2009**

**CARBON POLLUTION REDUCTION SCHEME (CPRS FUEL CREDITS) (CONSEQUENTIAL AMENDMENTS) BILL 2009**

**EXCISE TARIFF AMENDMENT (CARBON POLLUTION REDUCTION SCHEME) BILL 2009**

**CUSTOMS TARIFF AMENDMENT (CARBON POLLUTION REDUCTION SCHEME) BILL 2009**

**CARBON POLLUTION REDUCTION SCHEME AMENDMENT (HOUSEHOLD ASSISTANCE) BILL 2009**

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**Second Reading**

Debate resumed from 14 May, on motion by **Mr Combet**:

That this bill be now read a second time.

**Mr Turnbull** (Wentworth—Leader of the Opposition) (9.42 pm)—The Carbon Pollution Reduction Scheme Bill 2009 and its accompanying bills represent the centrepiece of the government’s efforts, so it claims, to reduce carbon dioxide emissions in Australia. The legislation is distinguished by the fact that it has almost no supporters. The business community have almost unanimously complained about its job-destroying provisions; the environmentalists, on the other hand, have complained that it does not go far enough and is not effective in reducing emissions. It is a poorly conceived scheme, poorly put together in haste, with inadequate analysis and consideration.

The fundamental problem that the designer of any emission reduction scheme faces in any country is that this is a unique environmental problem. If we accept, as a matter of prudence, taking the precautionary principle that we should seek to reduce the world’s carbon dioxide emissions so as to slow the impact of global warming and undertake to do that—and that was certainly the policy of the previous government, as it is of this government and, indeed, almost every government in the world, to the best of my knowledge—then we have to recognise that, because of the global nature of this problem, if we reduce emissions in this country but in doing so cause emissions to increase somewhere else, there is no environmental benefit.

This is a very important distinction. We can in Australia say, ‘We choose as a society to have higher environmental standards than other countries,’ if that is our choice. And we can say to a business, ‘We will impose on you the cost of not polluting a river or a
stream or a harbour and that will be an additional cost to you, but, nonetheless, there will be a benefit to our environment and an overall benefit to our community. But if we say to a business in Australia, ‘We are imposing on you a cost per tonne of CO2 emitted,’ and if the consequence of the imposition of that cost is that that business becomes uneconomic in this country because the businesses with which it competes in other nations are not bearing such a cost then the only consequence is that less CO2 is emitted from Australia and more CO2 is emitted from other countries. There are any number of examples of this right across the industrial spectrum in Australia, but probably the best, the most glaring, example is that of the coal industry. That is our largest export, and the industry is not being treated as other emissions-intensive trade-exposed industries are under this scheme for appropriate compensation or appropriate allocation of free permits. It is being treated very differently. Every major coal producer has said that the consequence of this treatment will be the destruction of thousands of jobs and billions of dollars worth of projects. They have been absolutely unanimous about that. This will devastate our single largest export industry.

We can ask the question: is that a price worth paying to save the planet? The answer is that it is not, because the only consequence of Xstrata or any other large coalminer in Australia being unable to mine coal profitably in this country is that they or other companies will mine more coal in other nations. In other words, we will mine less coal in Australia and there will be more coal mined in Indonesia or Colombia or South Africa—fewer jobs, less income, less tax revenue, less prosperity in Australia; more jobs, more income, more prosperity and the same, if not more, emissions in another country.

That issue of carbon leakage is the problem at the absolute core of this challenge of reducing global carbon dioxide emissions. It is a global problem. A tonne of CO2 has the same impact on the climate whether it is emitted in Sydney or Shanghai or Stockholm or San Francisco. Therein lies the problem.

All of our major trade-exposed emissions-intensive industries are unhappy with the proposals being presented by the government. Whether it is coal, as I have just discussed; whether it is steel; whether it is aluminium; whether it is cement—the list goes on; all of them point to the fact that they are already operating in a relatively high-cost environment in Australia. We are a country that pays higher wages, we have higher costs than most countries with which they compete and we are now proposing to impose an additional cost, for no environmental benefit but with considerable economic harm.

So the bottom line is this. A global carbon cost can work equitably and effectively. If the whole world paid the same cost on carbon then it would not matter what the cost was; all the boats would rise or fall on the same tide. We know that that is not going to be the case. We know that our economy is particularly trade exposed. We are, more than most countries, certainly more than any other developed country, particularly dependent on emissions-intensive export industries. We have that particular vulnerability. Yet the government is determined to pass its legislation before we know what the world will agree to at the Copenhagen summit in December and, most remarkably, before we know what the shape of the United States climate change legislation will be.

This is a very rapidly developing scene in climate change. I had the honour in the previous government of being the Minister for the Environment and Water Resources and represented Australia at climate change conferences, and I have to say that, going back less than two years, I would not have thought
that the debate globally would have moved as quickly as it has. I would not have imagined that we could be in a position where emissions trading scheme legislation will be likely to be on the floor of the United States House of Representatives and voted on within a few months, and may well be law by the end of the year. That legislation—which of course addresses the central problem of emissions-intensive trade-exposed industries, as every piece of emissions trading legislation has to, wherever it is enacted—will inevitably be the global benchmark. Common sense dictates that Australia’s scheme should not be finalised until we know the shape of the US legislation, until we see what that US legislation is and until we see what has been decided at Copenhagen.

As the House knows, we are proposing that the consideration of this matter be deferred until after the Copenhagen summit in December, after the conclusion of the legislative process of the United States legislation—currently titled the Waxman-Markey bill; it no doubt will acquire other sponsors during the process—and, of course, after the Productivity Commission has conducted a thorough analysis. I will come to that in a moment and the shadow minister for the emissions trading scheme and infrastructure, Andrew Robb, will speak further about that when he addresses the House.

The US legislation, even in its draft form at the moment—and it is still going through the committee stages of the House of Representatives—is already markedly different from the government’s legislation in the way it treats emissions-intensive trade-exposed industries. I might say, before I go on to speak in more detail about Waxman-Markey, that here in my hand is a copy of the principal Carbon Pollution Reduction Scheme Bill. It is a lengthy document of 428 pages. The key issue, as we all know, is emissions-intensive trade-exposed industries. It is important to note that they are the subject of and are covered by about eight pages in this whole document—just eight pages, which are simply enabling legislation to permit the government to enact regulations. So the key issues about which industries will be protected, how much protection they will get, how it will be allocated, the decay rates and how the protection will reduce over time—all of that—are to be dealt with administratively by the government in regulations. None of the regulations have been published. We have had reports of them. The government has spoken about them. They are in the process, we know, of continuous and constant renegotiation by the government and yet they are the guts of the scheme. The guts of the scheme is in the regulations. That is the essence of it; that is the hard problem. The rest of it is just a framework, just really the bones. What price democracy if the parliament itself is not being asked to vote on that?

But we have been told. The government has described what it is going to do—although it keeps on changing its plan—so we have some idea of at least what it says it is intending to do, and already we see dramatic differences between the government’s proposal, on the one hand, and what the Americans are contemplating, on the other. Let me give you one example. The big issue is that if you give a trade-exposed industry protection—aluminium, cement or coal; take your pick—firstly, how much protection should you give it? Our view, when we were in government and Peter Shergold chaired the emissions trading task group, was that, in principle, businesses that fell into that category should be given complete protection until such time as the countries with which they competed had a comparable scheme. That is a commonsense, straightforward approach. While the American scheme is sub-
ject to the legislative process and will no
doubt change, at this stage the position ap-
ppears to be that, once an industry is given
free allocations of permits—in effect, protec-
tion—because it is an emissions-intensive
trade-exposed industry, that protection will
continue until 2025 and thereafter will only
start to decay once the US President deter-
mines that less than 70 per cent of the global
output of the relevant sector—say, aluminium—is produced in countries that have a
comparable scheme. So, in other words, until
the bulk of the rest of the world catches up
American industries will have that continu-
ing protection. That has no counterpart in the
foreshadowed regulations proposed by the
Rudd government.

So we are faced already just at this stage
with the undeniable fact that the President of
the United States, Barack Obama, is disposed
to give more protection to American workers
than Kevin Rudd is proposing to give to Aus-
tralian workers. The United States govern-
ment—and its congress—is more committed
to protecting American jobs as it designs its
scheme than the Rudd government is con-
cerned about protecting Australian jobs. That
is just the tip of the iceberg. I see the Parlia-
mentary Secretary for Climate Change sitting
opposite me at the table. He knows that very
well, he knows the force of these points and
that is why he is, even as I speak, in intense
discussions with some of these industries as
the government desperately scrabbles to try
to change the as yet unpublished regulations.

This is too important a transition to do in a
rush; it is far too important. There are thou-
sands of jobs, perhaps hundreds of thousands
of jobs, to be affected here. This is a global
effort and anything we do in Australia is fu-
tile unless it is matched by global action. We
know that. Having said that, I know we rec-
ognise that it is not defensible for Australia
to say, ‘We’ll be the last one to move.’ Obvi-
ously, we want to move as part of a global
movement. But, plainly, the country that will
have the most influence in this exercise is the
largest economy, the largest industrial coun-
try and the largest polluter in terms of its
CO2 emissions—although perhaps now fall-
ing a bit behind China; nonetheless, it and
China are the two largest emitters—the
United States of America. That is the bench-
mark. Common sense says we should not
finalise this legislation until we have seen
what the Americans do.

Now what have the government been say-
ing to business? Let us think about what the
government have said to business. They have
said two things. Firstly, they have said,
through the parliamentary secretary last
week, ‘Sign up now or what you’ll get next
year will be worse.’ The parliamentary secre-
tary was reverting to his old trade union ap-
proach, a bit of bullying. That was greeted
with a raspberry from the business commu-
nity. The other thing that the government are
saying, the other part of their pitch, is said
somewhat under their breath: ‘Oh, don’t
worry. We’ll change all the regulations next
year anyway.’ So what price certainty, be-
cause the thing that we have been told is that
we must approve this scheme now to give
business certainty. But how can there be any
certainty if the essence, the essentials, of the
scheme is in the regulations and the regula-
tions, which have not been published, are in
a state of constant amendment and negotia-
tion and in any event will be amended next
year after the Americans have legislated and
the Copenhagen conference has concluded?

What then is the rush? Where is the rush?
There was an argument for legislating this
year because the Prime Minister had a self-
imposed starting date for the scheme of
2010. It was going to start on 1 July next
year, so common sense said it had to be leg-
islated this year. The Prime Minister has now
said it will not start until 2011 and when it
starts it will not actually be a trading scheme
at all because the permits will have a fixed price. It will be a carbon tax for the first year and the trading will not actually begin until 2012. There is now absolutely no reason at all to legislate for this this year.

What about Copenhagen? Does the Prime Minister need to go to Copenhagen with a legislated scheme? The answer is plainly he does not. The only thing the parties at the Copenhagen conference will want to hear from Australia is what sort of target Australia will support. The Prime Minister has laid out some targets. We have given him our bipartisan support for those targets to go to Copenhagen. That is all he needs.

The Danish Minister for the Environment was here in Australia recently and spent some time with several of my colleagues, and she was quite explicit in saying that her government did not expect, nor were they particularly interested in, the details of any scheme we had in Australia. They simply wanted to know what targets we would support. That was the essence of it. That was what they wanted to hear.

There are many other flaws in this legislation. There is insufficient time and the hour is late, so I will not go through them all, but I will just touch on a key omission. In the fight against climate change, it is important always to remember the value of what we have often called in the past ‘least regrets’ or ‘no regrets’ policies. Ideally, if we can reduce or offset emissions by policies that have collateral benefits, we should plainly do so. That is common sense. Our greatest comparative advantage is our real estate—770 million hectares of it. Our massive landmass is our greatest advantage. We have the ability in Australia to offset hundreds of millions of tonnes of CO2 emissions through improving the soil carbon across Australia, improving the productivity of our soils and improving the productivity of our agriculture, yet that form of carbon sequestration, of carbon offset, is not to be recognised in this scheme. It is recognised in the United States. Those credits generated by farmers through more sustainable tillage and other agricultural practices are traded every day on the Chicago Climate Exchange.

That is why we have proposed the establishment of a voluntary carbon market that can take advantage of credits of that kind and others, such as biochar, from the beginning of next year. We have so many opportunities, through avenues which we have called ‘green carbon’ or ‘biocarbon’, that are being ignored by the government for no reason at all. The Minister for Agriculture, Fisheries and Forestry thinks he is a great fellow because he is proposing to spend $1.4 million on researching biochar. He can do that, but the reality is that biochar, which is a form of charcoal, once created from forest waste or crop waste and returned to the soil, sequesters carbon. There is no doubt about that. From the point of view of recognising it in an emissions trading scheme or a carbon trading scheme, there is absolutely no question about the science or the fact that that charcoal, once restored to the soil, does result in carbon being stored—just as much as if it is taken from a coal fired power station and pumped under the ground. Yet, despite that, the government declines to recognise it.

This is a poor scheme. It threatens jobs. It already has the potential of being dramatically out of step with the largest developed nation and the nation which will have the most influential benchmark, the global benchmark. I will mention just one other area, because I know it is of great interest to several of my colleagues. One of the curious omissions from the Rudd government’s so-called Carbon Pollution Reduction Scheme is recognising the value, as a carbon credit, of generating energy from coalmine methane—from taking methane out of gassy coal
mines. That has been ignored, yet here it is recognised and deemed to be a renewable energy source under Waxman-Markey in the United States.

Mr Hunt—And Germany.

Mr TURNBULL—The member for Flinders says, ‘And Germany,’ and there is no doubt that he is correct. Why would we want to be out of step with those countries? What possible argument is there for doing that? That is the problem with rushing into this scheme and trying to reinvent a carbon trading scheme without regard to developments overseas. There is a better way to go about this, and that is to defer consideration of the bill until the Copenhagen summit is concluded, we have seen the American legislation and the Productivity Commission has reported and done the analysis that has not been done by the government. I move:

That all words after “That” be omitted with a view to substituting the following words: “the House defer consideration of the bill until the following have occurred:

(1) the Copenhagen Climate Change Summit at the end of this year has concluded;

(2) the Barack Obama administration in the United States has clarified its intentions in this area;

(3) the Government has referred its Carbon Pollution Reduction Scheme (CPRS) to the Productivity Commission so that it may conduct a six-month review to:

(a) assess the national, regional and industry sectoral impact of the CPRS in light of the global financial crisis;

(b) assess the economic impact of the CPRS in light of other countries either not imposing a price on carbon comparable to that proposed for Australia or imposing such a price after different assumed periods of delay; and

(c) conceptually and empirically examine the relative costs and benefits (including emissions reductions) of the key alternative scheme designs against the CPRS; and

(4) the Productivity Commission’s reports on these topics have been publicly released”.

The DEPUTY SPEAKER (Ms AE Burke)—Is the amendment seconded?

Mr Robb—I second the amendment.

Mr TURNBULL—I heard the member opposite make a point about climate scepticism. Let me say this in conclusion: the basic flaw in the government’s approach to this issue is that they treat it as a political issue, not as a scientific and economic issue. The objective of an emissions trading scheme is not to prove that Kevin Rudd is greener than me, greener than John Howard or greener than anybody else; the objective is to effectively reduce emissions at the lowest cost—that is the objective. We must recognise that the key to that is design. It is not a question of being for or against an emissions trading scheme. There are few people nowadays that do not agree that a price on carbon is inevitable in the world in the years ahead. How we put that price on carbon is the critical question.

The parliamentary secretary can chuckle away. But he would not be chuckling if his government’s inept management of this issue, if it were to be fulfilled, resulted in the loss of thousands of jobs—by members of the unions that he used to be proud to represent. This scheme, if implemented in accordance with its terms, will be a job destroyer. The parliamentary secretary recognises that—that is why he is scrabbling to change it. We have the time to get it right. We have the means to get the expert advice, the objective advice that has been denied us, from the Productivity Commission. We have a responsibility to protect the jobs of Australians and not to sacrifice Australian jobs for no environmental gain.
Mr DREYFUS (Isaacs) (10.10 pm)—It is a privilege to be addressing the Carbon Pollution Reduction Scheme Bill 2009 and related bills. This legislation provides the framework that will allow Australia to shift to a low-carbon economy. It will give businesses and households the certainty that they need, while taking strong action to reduce the impact of dangerous climate change on our future. It is in the national interest to legislate as soon as possible, and no Australian should be in any doubt about the need for action on climate change.

I have listened to the speech just given by the Leader of the Opposition, and it confirms that the coalition is hopelessly divided on this issue. We have seen in the last couple of years from the opposition the full range of views on this topic, from those who believe that dangerous climate change is some sort of conspiracy theory, to those who grudgingly accept that it is occurring, through to those who believe, as do we on this side of the House, that we need to take action now. What we have heard from the Leader of the Opposition is more of the same—indeed, the only consistency we have had from the opposition, both when they were in government and now that they are in opposition, is their inaction. That is the position of the Liberal and National parties—inaction on the question of how to deal with climate change.

We have heard tonight simply the latest in a long series of excuses for that inaction. Last year we had: ‘We should wait for the Garnaut report.’ Over the summer we had: ‘We should wait for the Liberal Party’s consultant on climate change to come up with a report.’ More recently we have had: ‘Wait for the decisions to be made at the Copenhagen conference later this year.’ And now we have a confirmation from the Leader of the Opposition that Australia, according to him and the coalition, is to wait for the United States to pass legislation. To that long list of excuses for inaction we have had added tonight: ‘Wait for the Productivity Commission to report.’ What we see from those opposite, the Liberal and National parties, is excuse after excuse after excuse, putting forward anything rather than taking action on climate change.

Extraordinarily, we had a reference right at the start of the speech of the Leader of the Opposition to prudence and to the precautionary principle, but it is clear that neither the Leader of the Opposition nor anyone in the Liberal and National Parties understand what the precautionary principle actually is. We are making a decision in the interests of the nation, not on the basis that there is complete certainty, as in complete scientific certainty, that there will be the predicted events, in this case, of dangerous climate change, but—and this is the precautionary principle—on the basis that the events which are predicted would be so cataclysmic in their effect that, if there is a probability of them occurring, action should be taken now. That is the precautionary principle. That is what is recognised as the precautionary principle, and that is why it was curious, to say the least, to hear the Leader of the Opposition refer to the precautionary principle at the start of his speech but then say nothing further about it.

Over the past year I have attended numerous hearings of this House’s Standing Committee on Climate Change, Water, Environment and the Arts, which is chaired by the member for Throsby. The committee is inquiring into the effects of climate change on coastal management around Australia. In the course of those hearings it has heard evidence that should put entirely beyond doubt the effects of climate change and the idea that those effects are real and are occurring now. The effects of climate change will be to increase the severity and frequency of many natural disasters—including bushfires, cy-
clones, hail storms and floods—to place increasing pressure on urban water supplies and to cause major declines in agricultural production. By the end of the century, the Great Barrier Reef will face catastrophic destruction and there will be severe health impacts felt across the population as a result of climate change. As the Prime Minister and other members of the government have often said, the high costs of inaction far outweigh the cost of acting now. Australia is one of the countries with the most to lose from climate change. Everyone knows that we are one of the hottest and driest continents on earth. Yet on a per capita basis we are the sixth-largest carbon polluter in the world.

I will mention one of the dramatic predicted effects of dangerous climate change: it is predicted that there will be a 92 per cent decline in irrigated agricultural production in the Murray-Darling Basin by the end of this century if there is no mitigation of climate change. This is not some theoretical problem. If there is no mitigation of climate change, rising sea levels will affect communities around Australia. One community that will be most affected is the community in my electorate in south-east Melbourne. Along the bay in the suburbs of Mordialloc, Aspendale, Chelsea, Edithvale, Carrum and Patterson Lakes—which is a canal development—there is tremendous exposure to the effects of rising sea levels. Those effects involve not merely the higher tides that will result but the storm surge effects that can occur. Without action to mitigate climate change, we will see substantial rises in sea level in coming decades. The low-lying parts of my electorate will face inundation, just on the basis of the conservative estimates that have now been written into Victorian planning schemes. It is estimated sea levels will rise—and there is now a requirement in Victoria to plan on this basis—by 0.8 of a metre by 2100. This is not some small predicted effect on the community that I represent. Thousands of homes and quite probably large parts of the Braeside industrial area will be affected by inundation unless there is action to mitigate the effects of dangerous climate change.

What we see in this legislation is action being taken by the Rudd Labor government to deal with the effects of climate change both by taking action in Australia and by encouraging countries around the world to do so. I will say at least this for the Leader of the Opposition: he accepts that global action is necessary, and it appears that the opposition also accepts that participation by Australia in that global action is required.

This legislation establishes the Carbon Pollution Reduction Scheme, which is to establish a cap-and-trade system to control the output of carbon dioxide and other greenhouse gases that were included under the Kyoto protocol. The government has set target commitments, which I do not need to repeat. They are staggered commitments which envisage negotiation up to higher targets if there is action from developing economies and comparable commitments from advanced economies and a 25 per cent target by 2020 if a global deal is reached to stabilise levels of carbon dioxide equivalents at 450 parts per million. The government has recognised the impact that the global recession is having on Australian firms and households, and that is why it is delaying the start date to 1 July 2011. I do not need to talk about the other detailed aspects of the Carbon Pollution Reduction Scheme, because they will be more than adequately covered by speakers who are coming afterwards.

This legislation is part of the engagement by Australia in building a strong international response to climate change. It is a fact that Australia cannot tackle climate change alone; the only solution is a global one. Our
team of negotiators must have a package to take to the United Nations climate change conference in Copenhagen in December 2009. The government will be able to get the best deal for Australia if we can go to Copenhagen with credibility. I note, Deputy Speaker Burke, that you and I will be attending the Commonwealth Parliamentary Association conference in London between 5 and 11 July. It will be an assembling of representatives of parliaments across the Commonwealth, including many countries from the developing world. The task of that conference is to consider the lead-up to Copenhagen. It is not only our government that recognise the need for all countries to engage with the Copenhagen process; other Commonwealth countries recognise that need as well. The best way for Australia to establish credibility in the forums of the world is for this parliament to pass this legislative package so as to establish that there is a framework in this country to set Australia’s response to dangerous climate change. As a nation which is particularly vulnerable to climate change, it is in Australia’s national interest that there be global action. The best outcome for Australia is a global agreement. I commend the bills to the House.

Mr HUNT (Flinders) (10.22 pm)—As somebody who believes in the great challenge of climate change, as somebody who has worked in this space for many years and as somebody who comes to this chamber and this parliament with a belief that we need global action, I find the Carbon Pollution Reduction Scheme Bill 2009 profoundly disappointing. I find it disappointing because it achieves a unique double. That double is that it sends global emissions up by sending our emissions to higher emitting environments—whether they are China, India, the Philippines or Indonesia—through the process known as carbon leakage. This is recognised throughout the world. At the same time, it is also sending global emissions up by sending jobs overseas, where there is no level playing field. It manages to destroy Australian jobs. As somebody who cares, as somebody who believes and as somebody who is passionate about the actions that we need to take to reduce global emissions, I find that this bill has a unique double. It sends emissions overseas—whether it is zinc, aluminium or even such things as cement or waste paper processing—to China, to India, to the Philippines and to Indonesia. Secondly, in so doing, it sends Australian jobs overseas and it takes down Australian employment. That is a unique combination for a bill which should be a point of hope, opportunity and a step forward. That is why, at this point in time and in this format, it is simply not acceptable, and I say that as somebody who wants a solution and who believes in a solution.

Let me make these points today. I deal, firstly, with the false dichotomy of the myth of action versus inaction put forward by the members of the government; secondly, with the reality of what we are proposing; thirdly, with the global reality; and, fourthly, with the fundamental flaws in this bill as it stands. At the heart of those fundamental flaws is the problem that the lack of a level playing field for Australia and Australian business will send emissions offshore. Zinc, aluminium, concrete, cement, waste paper and so many other sectors want to do the right thing but cannot compete in a world where they have both hands tied behind their back and their competitors do not.

Let me deal firstly with this notion of the myth of inaction. What we saw under the previous government was something quite remarkable. In a world with 40 billion tonnes of CO2, Australia, at approximately 560 million tonnes or 1.4 per cent of global emissions, was one of only five or six nations in the developed world to actually meet its targets. We were given to believe that we were
somehow a pariah, yet it was Australia—not Spain, Japan, Canada, New Zealand or the United States—which was actually meeting its targets. The only thing that the atmosphere knows, the only thing that the planet knows, is what level of CO2 in parts per million is actually emitted by a country. That is all that the atmosphere knows; yet under the previous government Australia was one of a handful of countries to meet its international commitments. If you want a test of action, it is who lived up to their obligations—not who promised but who lived up to their obligations.

That brings us to what we propose. We propose four simple measures to make real reductions, to take real steps and to take real action to deal with this problem. Firstly, we have said that we will deal with targets of 25 per cent if there is a comprehensive global agreement, 15 per cent if it is between 510 and 540 parts per million as an outcome from Copenhagen or five per cent if we have to go it alone. But we contemplate all of those actions. We give bipartisan support so that the government may go in good faith to negotiate with the rest of the world and cannot use the issue of targets as an excuse for domestic political confrontation.

Secondly, we have said that we would immediately set up a voluntary carbon scheme on 1 January 2010. We would set up a scheme which would allow for bankable credits to be created, which means they could be tendered against any future carbon price. This means that BHP, Rio or Alumina—it does not matter what the company is—has a real and tangible incentive to begin action now; not in two years or 2½ years under the government’s scheme but to begin action now. In addition, the voluntary carbon scheme would also allow for voluntary action to be credited over and above whatever targets we agree to in Copenhagen. In other words, if you take voluntary action, if you are a mum or dad who does something, under the government’s scheme it will not be counted but under ours it would be in addition to the national target. Thirdly, we will embark upon a clean energy revolution. We have already said that we will put in place a solar continent vision, underpinned by what we do domestically in schools, communities, and also with base load solar. There is much more to come on that front. Fourthly, we have said that if there is a level playing field there is a fundamental role for a price on carbon. If there is no level playing field, then what will occur is very simple—there will be carbon leakage.

The next thing that I want to address is the international environment. The international environment is a simple concept. There are two fundamental steps that will occur over the next six months. There is the Copenhagen conference, and the Copenhagen conference, as the Danish climate change minister, Connie Hedegaard, has said to me and to the member for Goldstein, is about targets, targets, targets—‘We want to know what your targets are.’ We have said 25 per cent if there is a global agreement, 15 per cent if it is between 510 and 540 parts per million or five per cent against our 2000 emissions if there is no agreement whatsoever. That is our unilateral commitment.

Yet there is a second key element, and that is the United States. What is it that the Obama plan proposes? It differs from the Australian scheme in five key ways. Firstly, it offers 100 per cent coverage for those sectors which fall within it on not just their direct but also their indirect costs. Secondly, it excludes agriculture on a compulsory basis but includes agriculture on an offset basis. In other words agriculture can be used to make the great green carbon savings which we propose. Thirdly, coal is out. Fourthly, 30 per cent of permits go to the electricity sector. We know that the electricity sector in Austra-
lia is about to face a balance sheet crisis. In other words it has not been dealt with properly under the current system, and that is a fundamental difference. Fifthly, the export sector in the United States is approximately half the percentage of the economy which it is in Australia, and if you exclude elaborately transformed goods or if you look solely at the commodities sector, the commodities sector in the US is a significantly lesser part than it is in Australia. What that means is that those sectors are better treated.

There is no level playing field between the US and Australia, and as we go towards Copenhagen we see this simple principle. What occurs in the US will have an impact on Canada, will have an impact on what occurs in New Zealand and will have an impact on what occurs most fundamentally in Europe. Copenhagen and the United States will coalesce. The systems will harmonise, and we seek simply to make the point that we must coalesce with the US system if we are to have a real impact on emissions and if we are to protect Australian jobs from the task of losing a level playing field.

Against that background fundamental flaws exist in this bill. Firstly, it does not provide business with certainty. Under any scenario there are three completely different outcomes—a five per cent, a 15 per cent or a 25 per cent scenario. The bill cannot give that certainty. Secondly, the regulations do not exist. Sixty industries? How many have we seen? How many will we see? We will be making fundamental changes not through legislation but through unseen regulation which affects people’s rights and which affects people’s jobs. Whether you are in Gladstone, Mackay or Rockhampton, whether you are in New South Wales, Victoria, South Australia, Western Australia or Tasmania, your lives will be changed by regulations which may be disallowable but which are never brought before the parliament for fundamental debate.

Then we see that this lack of a level playing field applies to everything: zinc, aluminium, steel—any processing of commodities in Australia. LNG is likely to stop investing in Australia and we will simply see that China and Indonesia will develop coal resources, and not only will Australia lose the investment but the world will use a fuel which is three times the CO2. That is not good; that is not right. That is not what should be occurring.

We see another simple flaw. Firstly, there is no certainty under what the government proposes. Secondly, it is out of sync with the United States. Thirdly, there is no level playing field. Fourthly, from something as simple as the waste coal in gas sector 85 million tonnes of CO2 could be saved between now and 2020. Under the Rudd scheme, under the government’s scheme, what we will see is 85 million tonnes of CO2 released because the standards that are in place in the US and in Germany are not in place in Australia.

For all of these reasons, because this bill achieves a unique double, because it achieves the double of sending up global emissions and of sending Australian jobs overseas, it fails in its fundamental purpose. For these reasons we have moved that it be delayed and deferred until after the United States and Copenhagen outcomes are known. I support the amendments proposed by the Leader of the Opposition, and I express the deep reservation that these bills will simply send global emissions up.

Debate (on motion by Mr Gray) adjourned.

ADJOURNMENT

Mr Gray (Brand—Parliamentary Secretary for Regional Development and Northern Australia) (10.34 pm)—I move:
That the House do now adjourn.

Commonwealth Bank

Mr PRICE (Chifley) (10.34 pm)—Tonight I want to talk about the Commonwealth Bank. By way of background I should say that when the Commonwealth Bank closed the branch at Emerton and opened it at a new shopping centre, notwithstanding the difficulties that posed, I opened that branch. When the Commonwealth Bank refurbished the Mount Druitt branch they came and saw me and I opened that branch.

You can understand perhaps my shock to receive a letter addressed to me, the Hon. Roger Price MP, which said, ‘Dear Mr Lowles,’ not ‘Dear Mr Price’. It said ‘Dear Mr Lowles,’ who happens to be the mayor, and advised that the branch at Rooty Hill that had existed for more than 40 years was going to close. As it turns out they proposed to close it the day before Anzac Day, bearing in mind that Rooty Hill RSL is the largest RSL in New South Wales, and one that hosts the state conference of the RSL.

I am a reasonable person, and I sought a request from the bank and travelled into town to speak to the head of government relations and the head of retail banking. I was very anxious to find out why they were closing the branch. You would think, Mr Speaker, if the bank was unprofitable then it would be a reasonable approach by the bank to close it. But that was not the case. Was it not meeting expectations in terms of profit? Was it below what they tend to expect from a branch? No, that was not the reason they were closing it. There were two reasons why they were closing it—not because it was not profitable and not because they were not getting the return on investment: they were closing it because the lease was expiring on the branch. Of course, there were opportunities for them to seek other premises—probably on the north side would have been better anyway—or indeed extend the lease. So that was the first reason that triggered the closure of the Rooty Hill branch. What was the other reason that they closed the branch? They said that there were not enough transactions occurring at the branch.

In my experience with banks in recent years, they have done everything possible to ensure that their customers do not bank at their branches. They encourage them not to: ‘Use internet banking, use SMS banking, use an ATM but for goodness sake do not come and see us’. So this really surprised me. Neither the state member or I were given an opportunity to rally the community to save this branch. I expressed the view that it would be deeply offensive to close this branch on the day before Anzac Day, on the 24th. The head of retail banking assured me that they would move the date. Well, the truth is that they did not move the date. They have denied ever making a commitment to me—and I regret that, because a commitment was made. They promised that there would be a Commonwealth Bank ATM at Rooty Hill, and there is no ATM. Ralph Norris is the Chief Executive Officer of the Commonwealth Bank, and I wrote to him. Richard Amery, the state member, also wrote to him. And quite a number of their customers wrote to him. Richard Amery sent a lot of representations to him. But this CEO was too busy, too important, too isolated to respond to any of those letters. He refused to respond—the height of arrogance in my opinion.

The Australian Bankers Association have guidelines for closing branches in rural areas. I support those protocols and those guidelines. I have been party to these processes when other banks have come to me about having to close a branch and, as difficult and as painful as it was, I really appreciated them coming to see me. But there are no protocols for closing any branch in the metropolitan area.
area. It is an absolute disgrace. Mr Norris is the chairman of the ABA, and no wonder they are not responding. I do want to congratulate the economics committee, which I have written to, because they are pursuing the issue of this arrogant, out-of-touch behaviour by the Commonwealth Bank, who complain that they have too many branches compared to their competitors and want to close more.

**Youth Allowance**

_Mrs MOYLAN (Pearce) (10.39 pm)—_

Some years ago the Avon community, along with the regional agricultural college, conducted a survey of the number of rural students who went on to gain tertiary qualifications. That survey showed that the transition to tertiary education for rural students was much lower than for their city counterparts. The reason for the survey was to explore ways to increase that ratio by removing impediments.

This is a common story in rural Australia, and I note with interest that the member for Grey recently reported that 18.8 per cent of rural school leavers in Grey attended university compared with 26.6 per cent from the city. There are a number of reasons for this, but the overwhelming drawback for country students was the cost for families. Those costs related primarily to travel and accommodation. Farm families are often asset rich and cash poor. For many farm families, the financial burden of tertiary education is an insurmountable barrier.

The changes the government is proposing to make to Youth Allowance will tighten the workforce participation rules so that from January 2010 students must work full time for a minimum of 30 hours per week for at least 18 months in the two years after leaving school. It is then that a student will qualify as ‘independent’ for the purpose of being eligible for youth allowance.

I have had sent to me today a letter from the Isolated Childrens Parents Association of Australia. It is a letter addressed to the Minister for Education, Employment and Workplace Relations and it is from Jane Gloster, the federal secretary of the association. Ms Gloster says:

The intended guideline change, whilst looking to tighten access to Youth Allowance and not assist those who least need assistance, effectively will penalise a cohort which is actively seeking to increase its representation in higher education and are a group particularly in need of assistance. These are the students from rural and remote Australia.

The effect of this proposed legislation is illustrated in the case of a student in a country town 500 kilometres from the city who has worked hard to qualify for university entrance. Additionally, this student passed a selection panel examination for medicine and was granted a gap year to enable her to earn money to qualify for youth allowance at the independent rate. During the gap year it was necessary for the student to live away from home. Having worked hard to prepare for a gap year over the past two years, the student will now not qualify for youth allowance and so has little prospect of attending medical school next year. Another person wrote to me saying:

We are shocked to see the proposed changes to Youth Allowance for school leavers starting 2010. It has thrown current 2009 Gap year into total chaos for those planning to begin their University studies next year but with the proposed changes many will not. This is very unfair. It is very tough on young Australians if they have to leave home to study and try to complete a full time course. Regional students will be hurt most. Please give young Australians a chance to pursue their dreams and leave things as they are.

This is just a sample of comments from concerned families and students and, while there are some positive changes proposed in the legislation, such as increasing the parental
income test, reducing the age of independence and relaxing the personal income test, the negatives definitely outweigh the positives for many students both rural and city. However, there are additional negative implications for students from rural and regional areas who aspire to tertiary education. The letter from the Isolated Childrens Parents Association says:

Many students have deferred their university entrance and joined the workforce assuming they would qualify for independent status under the current guidelines. The students will be ineligible for independence under the new guidelines that are set to start in January 2010. They have made decisions based on current guidelines and should be able to continue through with these decisions. It is unjust and inequitable to change the rules mid-stream.

The government should listen to the pleas of students and their parents and heed the call to at the very least grandfather those students who have prepared to enter university in 2010 by taking a gap year now. They arranged their studies according to government policies in place now and, unchanged, this legislation will have a dire effect on the future of many Australian students.

Budget

Mr GEORGANAS (Hindmarsh) (10.44 pm)—Australia is facing its greatest economic challenge in our lifetimes. During this global recession, the Rudd government’s priority is to support jobs and small businesses today by investing in the infrastructure we need for tomorrow while also ensuring we restore the budget to surplus after the global recession is over. That is why our policies focus on investment in the following areas: school infrastructure, building on the largest school modernisation program in Australia’s history; $4.7 billion to start building the National Broadband Network, improving vital communications infrastructure; $3.2 billion for public hospital infrastructure, modern cancer services and medical research, including $200 million for Royal Adelaide Hospital in South Australia; and $4.6 billion to improve rail networks across Australia.

I wish to outline what the economic stimulus funding means on a local level to a local community such as my electorate of Hindmarsh. The Guardian Messenger, a local newspaper in my electorate, reported on 20 May, under the headline ‘$15 million boost for schools’:

DOZENS of jobs will be supported in the southwest over the next two years through major construction projects at Adelaide primary schools.

Four local construction companies have won contracts to build new libraries, halls and classrooms under round one of the Federal Government’s Primary Schools for the 21st Century program.

These include local companies in my electorate such as Weir Construction, which has been able to retain its 50 full-time workers through the economic downturn and is very optimistic about winning more work on other school infrastructure projects. Camden Park based Scott Salisbury Homes is also in my electorate. It says that the contracts will provide long-term work for 10 to 20 people, many of them locals. The company has also rehired one worker who had recently been made redundant. Another company is Badge Constructions, which will build a $2.5 million hall and classroom block at Fulham North Primary School at Henley Beach. It has been estimated that this project will provide employment for local people for six to seven months. These are real jobs for real people in real communities.

Another story in the Guardian Messenger, headlined ‘Trade jobs boost for southwest’, outlines a similar positive story. It states:

STRONG numbers of new apprentices show the southwest is continuing to defy the economic downturn …
The story quotes Mr Atwell, an apprentice broker who finds positions for apprentices in the western suburbs. He said that the $15 million in federal grants for major building works in local primary schools, coupled with projects such as the desalination plant, would help maintain demand for building, carpentry, plumbing and electrical apprentices in the area. That is very good news for the electorate of Hindmarsh and my area. The story also quotes him as saying:

It (the stimulus funding) is giving the smaller construction companies confidence to take on an apprentice because they know there is going to be a lot of work.

Youth Employment Alliance general manager Martin Threadgold said in the same article that construction was driving demand for apprentices in the area and backed Mr Atwell’s prediction that the industry would continue to flourish as major infrastructure projects commenced.

These two examples are exactly what the economic stimulus funding is all about—supporting jobs and providing infrastructure for the future. It is just a small example of what is happening around the country. When the stimulus package gets up to full steam in about 12 months, there will be around 35,000 individual construction projects around the country, supporting thousands of jobs and small businesses. I am proud to be part of a government that has been prepared to tackle the hard issues and step up to the plate and deliver results.

**Internet Content**

Mrs VALE (Hughes) (10.49 pm)—One of the matters that is often raised with me by parents in my electorate is their fear that while their children are using the internet they may stumble upon inappropriate material. With the internet sadly awash with violence and legal and illegal pornography, it is clear why parents are so concerned about the need to protect their children from the harm of exposure to such material when science clearly links juvenile consumption of online pornography with the development of sexually deviant behaviour.

Last week I had the opportunity to attend a briefing on internet service provider level filtering, by a clinical psychologist and expert in trauma associated with war and sexual exploitation, Dr Robi Sonderegger, who explained how the internet amplified the global market for content related to child sexual abuse. He strongly argues that allowing teenagers and young children to be exposed to online pornography is tantamount to child abuse. In a peer reviewed article in the public policy magazine *Debate*, Dr Sonderegger said:

Early exposure to pornography has now been linked with habitual consumption patterns of heavier forms of pornography as was deviant behaviour later in life.

He also pointed out:

Numerous studies have found significant correlation between the consumption of sexually explicit material and sexual abuse. Pornography is deemed instrumentally causal in the aetiology of sex offending.

According to a recent study of 1,500 internet-using youth reported in the *Journal of Adolescence*, 25 per cent of young people had had unwanted exposure to sexually explicit content, with one-quarter of those exposed being extremely upset and one-fifth experiencing symptoms of distress.

The Howard government recognised parents’ concerns about the harm pornography causes and sought to address the problem through the NetAlert PC based filter. We were also examining the technology surrounding ISP-level filtering before we lost government. NetAlert was launched later in the life of the Howard government before a proper public awareness campaign could be
implemented and so it never realised its potential as an important tool whereby Australian parents could protect their children. While a step in the right direction, the weakness of a PC based system is that it only protects those children in households where the parents are responsible enough to install it. The Rudd Labor government came to office with an election promise to provide a clean feed to Australian households, schools and public places through mandatory ISP filtering. It was disappointing that NetAlert was scrapped last year before the government’s new ISP filtering could be rolled out to fill the gap, because this left parents with no effective public tool by which they could protect their children in the meantime.

While it is commendable that the Minister for Broadband, Communications and the Digital Economy, Senator Conroy, is seeking to manditorially block the worst of the worst pornography and violence—that is, the illegal Refused Classification material—there is a real apprehension that he may be backing away from the government’s election promise to provide families a feed free of X18+ and R18+ material. Senator Conroy’s recent comments suggesting that the ‘clean feed’ will only block RC raises doubts about how he can claim to meet an election commitment to protect our children and also to block other international porn sites. While no-one has said ISP filtering will be a silver bullet, it is a good start to combating the problem of having our children exposed to harmful online porn and will be an important addition to a parent’s armoury. It is disappointing that there appears to be a dangerous lack of understanding of the corrosive impacts of pornographic material, on children in particular, which seems to have led to a weakening in government resolve for ISP filtering. Dr Sonderegger strongly contends that:

Juvenile exposure (intentional or unintentional) to online sexually explicit material is a primary risk factor in the grooming of the next generation of paedophiles.

He states that the ISP filtering debate is about:

Whether or not the commercial sex industry should continue to have unrestricted access into the homes and minds of young people.

For years, coalition and Labor governments have responsibly tried to restrict the porn trade’s access to children through magazines, books and movies. Being mindful of the horrific reports this week of the rape of a little eight-year-old on the internet, said to have been watched by over 9,000 deviate predators, I say that now is the time for us to use the technology available to us to protect our children’s use of the internet. Indeed it is our responsibility to do so. (Time expired)

Kingston Electorate: South Adelaide Football Club

Ms RISHWORTH (Kingston) (10.54 pm)—I rise to commend an initiative at the South Adelaide Football Club, otherwise known as the Panthers. The program is titled the ‘Southern Man Made’. The South Adelaide Football Club has been exploring many

CHAMBER
ways in which it can engage with and make a positive contribution to the local community through its football. I was very pleased to attend the program, which was launched on 28 April. This program really is about connecting elite football players with young men in the local community. This program is about helping young people to improve their individual character and their lives. It has been supported by the Hickinbotham Group, a proud supporter of the South Adelaide Football Club, and by the Hackham West Community Centre. They have all come together with the South Adelaide Football Club to really make a difference in the lives of local teenage boys.

The Southern Man Made program will see senior Panthers players mentoring local youth, giving them tips on healthy eating, life skills, gym work and, of course, playing footy. This is a way to engage the young men of the south, to help them through difficult times. Often these young men do not have male role models in their lives and this program will go a long way towards providing those. It will see boys without father figures team up with successful professional footballers from the local area who can guide them through some of the hard bits of being a teenager. As well, they will give specific advice on how to eat better, train better and live better.

The program could not have happened without the support of the Hickinbotham Group. Local businessman Alan Hickinbotham should be commended for his commitment to the community as well as his commitment to the local club. The program has partnered with the Hackham West Community Centre, which for over 26 years has provided a space for local residents to meet to improve their health and welfare.

At the launch, I was able to meet some of the young people who have been selected for the program. They had a real sense of anticipation. They will not only be given advice about football; after the launch they went to play tenpin bowling. So it really is about connecting, about giving young men in the southern suburbs some real opportunities to follow positive role models and to have a whole lot of fun.

The program includes fortnightly life skills lessons on topics ranging from decision-making skills to antiharassment and bullying training, and information on alcohol, drugs and the consequences of violence. After the skills lessons, the boys go to the gym with their mentors and attend some of the senior training sessions. Chris Brooks from Christies Beach High has been buddied with Dylan Williams—this is one of the testimonies—a 21-year-old Panther. He said he cannot wait to get to the gym with Mr Williams or to have a kick with him. I am sure that Mr Williams and the rest of the volunteer mentors are looking forward to this exceptional leadership opportunity. While they put a whole lot of effort and enthusiasm into their football, I believe they will also meet this challenge with great enthusiasm.

I know that this program will be good for the boys involved and invaluable experience for the men who are performing the mentor role. This is a unique leadership opportunity for these young men and I do not doubt that every one of them will rise to the occasion. This is a very exciting initiative. I think the South Adelaide Football Club should be commended for this program. The final thing I have to say is to repeat a comment which is regularly made by the Premier of South Australia: go Panthers.

Petitions: Montevideo Maru

Mr CIOBO (Moncrieff) (10.59 pm)—There can be very little in life that is more troubling than not knowing what happened to your father, to your mother—or indeed to
both. So this evening I rise to present, on behalf of 1,295 Australians, a series of petitions calling on the Rudd Labor government to finance a search for the Montevideo Maru. In 2003 I tabled a petition from 475 Australians that drew the attention of the House to the tragedy of the Montevideo Maru. The sinking of the Montevideo Maru is Australia’s worst maritime tragedy. There were 845 Australian POWs and around 208 civilians who died when the Japanese POW vessel was sunk as it sailed from New Britain to Japan. The ship, which was bearing no markings to show it was carrying prisoners of war, was sunk by the USS Sturgeon, an American submarine, approximately 100 kilometres off the coast of Cape Luzon in the Philippines. I understand, and it is reputed, that an uncle of the former member for Brand, Kim Beazley, was believed to have lost his life on the Montevideo Maru. Indeed, I am led to believe that a grandfather of the Minister for the Environment, Heritage and the Arts, Mr Garrett, was also believed to have perished aboard this ship.

The three petitions that I will table in a moment include, as I said, the names of some 1,295 Australians who have banded together to call on the Rudd government to help finance this search. Cynthia Schmidt, the principal petitioner, has dedicated her life to trying to find out what happened to her father, to trying to find out what happened to the Montevideo Maru—and ultimately, of course, to bring closure in this sense. I have certainly been very proud to support them in this ongoing campaign since I was elected in 2001. I know there are many members on both sides of the House who support them in their quest to have closure, who support them in their quest to know exactly what happened to the Montevideo Maru. When you look at the great sense of relief there was when the HMAS Sydney was located and, for many people, there was the ability to pay their due respects, you can certainly understand that for those who lost their loved ones, for those who lost their fathers, with the sinking of the Montevideo Maru the ability to finally have closure will be a great sense of relief for them. In that vein, Mr Speaker, I table the petitions.

*The petitions read as follows—*

To the Honourable Speaker and Members of the House of Representatives.

The petition of certain residents of the Country of … draws to the attention of the House the need to arrive at the truth of the events involving the Montevideo Maw and the fate of 845 POW and 208 internees from The Mandated Territory of New Guinea [now Papua New Guinea], said to be on board when the vessel was sunk. Your petitioners therefore request the House to support any investigation made to establish the truth relative to the identity of the ship torpedoed 1 July 1942 in the Philippine waters and alleged to have been the Montevideo Meru.

from 913 citizens

Petition received.

To the Honourable Speaker and Members of the House of Representatives.

The petition of certain residents of the State of … draws to the attention of the House to have interested people expressing a desire to arrive at the truth of what happened during the Japanese occupation on the on the Island of New Britain, New Ireland, Watom Island and surrounding Islands in The Mandated Territory of New Guinea [now Papua New Guinea]. Your petitioners therefore request the House to an investigation by the relatives to request the Australian and Papua New Guinea governments discover all burial places of service men, Missionaries and civilians still missing. The families of these men have a right to know where they are buried.

from 356 citizens

Petition received.
To the Honourable Speaker and Members of the House of Representatives assembled in Parliament:

The petition of certain residents of … draws to the attention of the House to have interested people expressing a desire to arrive at the truth of what happened during the Japanese occupation on the Island of New Britain, New Ireland, Watom Island and surrounding Islands in the Mandated Territory of New Guinea (now Papua New Guinea).

Your petitioners therefore request the House to support an investigation by the relatives to request the Australian and Papua New Guinea governments to discover all burial places of service men and civilians still missing. The families of these men have a right to know where they are buried.

from 26 citizens

Petition received.

House adjourned at 11.02 pm

NOTICES

The following notices were given:

Ms Macklin to present a bill for an act to amend the law relating to family assistance, and for related purposes.

Ms Roxon to present a bill for an act to amend the law in relation to private health insurance, and for related purposes.

Mr Turnbull to move:

That the House expresses its concern that:

(1) the Government will increase the national public debt by 2013 to an unprecedented $315 billion;

(2) the Government’s interest bill on this debt, as yet undisclosed, will be a continuing burden on Australian families for future generations;

(3) despite claims that the Government will pay off its debt by 2022, the Government has refused to provide any modelling to substantiate this claim; and

(4) the high level of Government borrowing will place an ongoing and upward pressure on interest rates for Australian families.

CHAMBER
The DEPUTY SPEAKER (Mr S Sidebottom) took the chair at 4 pm.

CONSTITUENCY STATEMENTS

Ryan Electorate: Climate Change

Mr JOHNSON (Ryan) (4.00 pm)—The environment is very important to the people of Ryan, as it is to me as an individual and the father of 2½-year-old Ryan Andrew Johnson, who is the light of my life and will be turning three on 22 June.

The DEPUTY SPEAKER (Mr S Sidebottom)—Happy birthday!

Mr JOHNSON—I come into this parliament to speak of my strong support for all the local and national initiatives that try to tackle global warming. I support all kinds of creative and innovative policies to tackle global emissions.

It is important to also state that Australia’s emissions represent some 1.4 per cent of total global emissions. We acknowledge that, whilst this is a very significant national and global issue, it is also prudent and honest to say that our emissions, as part of the global total, are very small. China and India account for some 60 per cent of global emissions. We all know that the global emissions of the United States, the largest economy in the world, are enormous. So too are those for the developing economies of Brazil, India and Russia. What is important is global collaboration. It is important for the world to come together to tackle this important issue. That requires people of goodwill and intelligence to come together and work together. I stand in the queue with those who have put their hands up and said, ‘Let’s work together.’

I also want to put on the record how important it is at the local level for all of us to do our little bit. That is why I have produced a very good brochure, if I do say so myself, called Seven Green Ideas, for people in the Ryan electorate to do their little bit. I know the people I represent are very conscious of making their contribution in their own way, whether it is taking shorter showers, walking to the local shops instead of riding in their car, using the TV a bit less or washing their clothes in cold water rather than in hot water. We also need to be careful with how we use air-conditioning. We all know that air-conditioning produces an enormous amount of emissions. We should also switch off appliances at the wall. Changing light bulbs is also important. It might seem like a small thing, but if we all do that then we will make a contribution.

I, as the member for Ryan, as a local resident and as a citizen of this wonderful country of ours, make my contribution. I had solar panels installed on my roof a couple of years ago. Indeed, I ride a low-emission scooter in Ryan as part of my contribution. All of us can do our little bit to make the world a better place.

The DEPUTY SPEAKER—We can indeed. Thank you very much for your contribution.

Mr Blake Farrugia

Mr BRENDAN O’CONNOR (Gorton—Minister for Employment Participation) (4.03 pm)—I am just imagining the member for Ryan on that scooter. It is a wonderful idea. I rise to acknowledge the courage and initiative of an exceptional young boy in my electorate of Gorton. Blake Farrugia, a 10-year-old of Taylors Hill, recently wrote to me outlining his experi-
ence of living with type 1 diabetes over the last six years. His letter spoke of the everyday
difficulties of the disease and how the condition has changed the way in which he lives his
life. I receive many letters from constituents in my electorate, but seldom from individuals of
such a young age. Indeed, it is touching and inspiring to hear stories of initiative and courage
like the story of Blake Farrugia.

Despite the challenges posed to his health, Blake is an active member of his community.
He is a member of his local soccer team and an advocate for the Juvenile Diabetes Research
Foundation, where he raises awareness about the need to invest in diabetes research in order
to find a cure.

I am pleased to be able to say that since November of last year the Rudd Labor government
has provided a subsidy for insulin pumps to make them more affordable for families in my
electorate and families across Australia. In his letter, Blake told me that he now uses the pump
and it has dramatically changed his life for the better. Instead of four needles a day, Blake now
only has to have one needle every three days.

It gives me great pleasure to see such a young individual engaging with the community to
bring about positive change. It is also very much the case that it is a pleasure to see a decision
by government improving the quality of life of such a young person who should not have to
confront such challenges. I would like to acknowledge Blake’s initiative and also extend my
best wishes and compliments to his parents, Tania and Mark Farrugia, and his younger sister,
Kira, who have all provided him with tremendous levels of support throughout this experi-
ence.

I have yet to have the opportunity to meet face to face with Blake but I am arranging to
meet with him and his family so that I can speak with him about those challenges and, indeed,
see for myself the absolute tangible benefits as a result of a decision by government and the
efforts of a 10-year-old boy, and I do appreciate the fact that he wrote directly to me.

Queensland: Fuel Subsidy

Mr BRUCE SCOTT (Maranoa) (4.06 pm)—I rise today to express my dismay at the deci-
sion by the Queensland Labor government to cut the 8c a litre fuel subsidy. During this time
of economic uncertainty and with the unemployment forecast to hit one million by 2010-11, it
is inconceivable that the Bligh Labor government would take away this subsidy that has un-
derpinned support for families and for motorists in the transport sector in Queensland. The
Bligh Labor government’s removal of the subsidy is essentially the introduction of a new tax
on Queensland motorists and the transport sector. The respected RACQ estimates that by re-
moving the subsidy of 8.35c per litre, plus GST, the price of petrol will increase by 9.2c a li-
tre. That is a 9.2c a litre tax on petrol, compliments of the Labor government in Queensland.

It takes some 20 hours to drive non-stop from Birdsville in the west of my electorate to
Blackbutt in the east. This gives you some idea of the tyranny of distance in Queensland, par-
ticularly in regional areas. Often people have to take their children over long distances to
school, or to get to town or to a doctor. Not all Queenslanders have access to subsidised urban
public transport. This will have a negative impact on Queensland transport industries, which
travel across our vast state from border to border. These costs will be passed on to families in
the cities, who will incur the costs when they line up at the supermarket checkout. The re-
moval of the fuel subsidy comes as Queensland vehicle registration cops a further increase of
up to 15 per cent on 1 July this year. This will cost Queensland families several hundred dollars extra per year.

The Liberal-National coalition government in the 1970s and 1980s refused to put a tax on fuel when other states did, because we understood the impact this would have on Queensland families and Queensland industries. We understand the difficulties for people living in rural and remote areas who pay higher prices for fuel than their city counterparts. But this city-centric Bligh Labor government’s actions are showing that they have no such consideration for Queenslanders who live outside the south-east corner. After mismanaging the economy of Queensland, Queensland Labor is now in panic mode, selling off everything, such as the rail corporation, for example. We understand that electricity is on the agenda and we think that perhaps water is too—whatever they can find. The household silver is now going to be put on the market in these very uncertain times. Queensland motorists and families should not suffer because of the Beattie-Bligh Labor government’s epic failure to manage the Queensland economy. I condemn the Queensland Labor government—(Time expired)

Matilda Rose Carnegie

Ms McKEW (Bennelong—Parliamentary Secretary for Early Childhood Education and Childcare) (4.09 pm)—There are millions of words spoken in this House every day, but today I want to put on the record the words of a 10-year-old girl called Matilda Rose Carnegie. Matilda Rose attends St Catherine’s School in Waverley in Sydney and this is part of a speech that she made to her year 5 class last week. She said:

Imagine being deaf for a day. You know how it is when someone presses the mute button on the TV, but now instead imagine they pressed it on your life. Imagine waking up and not hearing anything, not even your alarm clock or the garbage trucks at 6 am …

Being deaf is like living in only part of the world but I don’t have to live in only part of the world because I have a cochlear implant which lets me hear.

What it does is make me hear really well when there is just one person talking to me. However, in group conversations it sounds like a hundred voices speaking at once and it is overwhelming for me.

I am not asking for sympathy, instead just a bit of consideration. But at the end of the day, just like being tall, being deaf is part of what makes me ME!!

Given the clarity of that speech, I think it is safe to say that this little girl has an exceptional future ahead of her. But it did not look like that a decade ago. Matilda Rose Carnegie was born with bilateral profound deafness and was also diagnosed with mild cerebral palsy. Having navigated the medical maze, Matilda’s parents, Tanya and Mark, realised that the best way to help their daughter and many others like her was to bring together in one centre the very best of transdisciplinary clinical teams. And so the Matilda Rose Early Intervention Centre was opened, a homelike environment which helps children with multiple special needs.

The centre is funded overwhelmingly by generous philanthropic donations, but the founders acknowledge the critical importance of Cochlear’s world class research and products—Matilda Rose now wears a Nucleus Freedom implant—and the government funded Australian Hearing Services. Both will soon be relocating to Macquarie University, in my electorate of Bennelong, and will be partners in the Hearing Hub, which will be a unique facility for audiology. The combination of outstanding Australian technology, devoted parenting and an unbeatable spirit are combining to ensure that we all sit up and take notice of a girl called Matilda Rose and, hopefully, many others like her.
**Flinders Electorate: Health Services**

**Mr HUNT** (Flinders) (4.11 pm)—Of the many different honours and responsibilities which come with this job, perhaps the most satisfying for me over the last few years has been to assist in some small way to ensure that doctors were able to be found for the towns of Lang Lang, Pearcedale, Koo Wee Rup and Crib Point and Phillip Island, amongst others.

I am, however, now dismayed to be advised that these areas, which have been either outer metropolitan or rural in their classification are now about to be reclassified under an arrangement between the federal and state governments as inner metropolitan. These are not inner metropolitan areas; these are clearly either outer metropolitan or rural and regional areas: Lang Lang, Tooradin, Pearcedale, Crib Point, Phillip Island. These are areas which have real challenges in attracting medical workforce. I know; I have worked with each of those towns and helped in some small way, I hope, to deal with the challenges that they have had with the support of successive health ministers. At this moment, to reclassify these towns with what is patently absurd as a definition of ‘inner metropolitan’ flies in the face of reality and, much more importantly, of human need.

I want to make a direct appeal today to the Minister for Health and Ageing, whom I am due to see later this week. I would make these three points. Firstly, please reconsider the arrangement proposed by the Victorian government and any federal support for it which would see towns such as Horsham classified as inner metropolitan, let alone these areas around Westernport and the Mornington Peninsula. Secondly, there are two specific examples of immediate need. The Crib Point Medical Centre is in need of approval of status for a doctor to be given the support of the outer metropolitan relocation scheme. I would ask that an exemption be made to recognise the extreme need of this town. It is a town which does it tough and which, to my knowledge, has not recently had a medical centre. I am delighted that there is a new medical centre. They have a doctor who is willing to work there, but they need approval for that doctor. The practice manager, Sunil Kumar, has written to me seeking that exemption, and I respectfully ask the minister to give that great consideration because of the human impact.

The other point is that the Hazelwood Medical Centre is proposing a new practice in Tooradin. For that they need an international medical graduate approved for Lang Lang and an international medical graduate approved for Tooradin. That would give this area two new doctors. Again I say to the health minister: I would be grateful for your consideration.

**Lindsay Electorate: Australian Women and Children's Research Foundation**

**Mr BRADBURY** (Lindsay) (4.15 pm)—I rise to acknowledge the efforts of the dedicated group of local people who make up the Australian Women and Children’s Research Foundation or OZWAC. OZWAC was founded in 1998 by Professor Brian Spurrett, Dr Chris Kohlenberg and local businessman Greg Allchin. The Penrith region has been fortunate to have attracted passionate advocates for women’s and children’s health. In the days when Western Sydney was a bridge too far for many clinical specialists of any discipline, pioneers like Professor Spurrett and Dr Kohlenberg recognised the massive need for their skills and experience in our region. Unfortunately both Professor Spurrett and Dr Kohlenberg have passed away since forming OZWAC but they have left a thriving legacy.
Now in its 11th year, OZWAC raises money to help drive important research into the health of women and children—research that is conducted entirely in Western Sydney. OZWAC fundraises to support research by the University of Sydney’s Nepean Clinical School. The clinical school trains more than 200 medical students in partnership with the Nepean Hospital each year. It also provides clinicians and clinical students with the opportunity to undertake cutting edge research, which OZWAC has been able to financially support for the past decade. With the support of OZWAC the Penrith region has become a more attractive destination for innovative clinicians. I am also proud that the Rudd government is contributing $17.2 million towards the construction of a new Nepean Clinical School facility opposite Nepean Hospital, providing a dedicated space for this clinical research to take place.

OZWAC has also helped to raise funds for the purchase of high tech medical equipment like 4D ultrasound machines and to help train doctors and nurses in specialist women’s and children’s healthcare techniques. Central to their fundraising program is the annual OZWAC ball, which this year celebrated its eighth anniversary. Along with my wife, I was honoured to be among the 260 people who attended this year’s ball, which I am told raised more than $30,000 and was supported by Panthers World of Entertainment, who generously donated the venue for the event. The people who attend OZWAC’s fundraising events are not corporate high flyers; they are local business people and individuals who share OZWAC’s passion for the health of our community. And without their support none of this research and investment in equipment would be possible.

I would like to acknowledge the work of chairperson Bruce Williams, secretary Dianne Courtman, treasurer Michelle Hampson, and fundraising coordinator Lea Hicks. They are supported by Professor Michael Peek and his team at the Nepean Clinical School and the other members of the OZWAC board, all of whom volunteer their time, including Professor Ralph Nanan; Professor George Condos; Professor Peter Deitz; Michelle Banning; members of the fundraising committee, Melanie Kennedy and Lois McGhee; and administration coordinator Maree Yabsley.

I thank the OZWAC team for their incredible work. They are making a difference to the lives of families in Western Sydney and I am certain they will continue to do so for decades to come.

Rudd Government

Dr JENSEN (Tangney) (4.18 pm)—As we stroll down the boulevard of broken promises we find ourselves at the house of reckless rising debt. I think it is time we reflected on the term of the chameleon Rudd government. The Indigenous people, the pensioners, the self-funded retirees, the students, the apprentices, the environmentalists and the working families are all taking a hit from broken promises and broken election commitments. To name just a few broken commitments: the health insurance rebate, the Medicare safety net, the broadband debacle—and what a debacle that is; an expensive farce that is far from being solved—superannuation, affordable child care, whaling, defence spending, the CPRS we had to have, the greening of Parliament House, and the big, grandiose Sorry Day, from which the benefit to our Indigenous communities and people has been—that is right—nothing.

Even though a pre-election Kevin Rudd promised us that he was an economic conservative, what do you see? You see the exact opposite. Australians trusted this man and gave him their vote. How disappointed and let down they are today. Just ask them. Most Australians have
never seen spending or national debt like this in their lifetimes. How worried are they? They are very worried. Just ask them.

I hold grave concerns for the young and, in particular, students because of the hand that they have been dealt. Do we want to start with the botched computers in schools program and the $800 million blow-out, or shall we talk about the $250 whack to university students—a not very subtly disguised return to student union fees? Let us go on to the changes in Youth Allowance. Those changes are a great idea if you want to discourage young people from furthering their education. I guess that is what those opposite mean by ‘education revolution’. Revolution? It is more like a revolt against providing educational opportunities, by making it as difficult as possible.

Australians are very aware that this government is losing control. The government is losing control of the present and throwing away the future—the future of generations to come. Their pre-election promises are being thrown out one by one. Is it a surprise to members on this side of the House? I think not. Is it a surprise to those who voted in this government in good faith? Yes, I would suggest they are surprised and disheartened. We do remember one commitment that has certainly been kept: ‘When we get in, we’ll just change it all.’ Never was a truer statement made by those opposite.

**Charlton Electorate: Health Services**

**Mr COMBET** (Charlton—Parliamentary Secretary for Climate Change) (4.21 pm)—I wish to update the House on an issue of relevance to my electorate of Charlton in New South Wales. I am pleased to announce that the Rudd Labor government’s commitment to contribute $2.5 million to a GP superclinic in the Charlton electorate is well and truly in the process of being delivered. Waratah Medical Services at Morisset signed a contract for the provision of the superclinic in February, and work has already commenced on the development of this important service. With the doctor-to-patient ratio running at around one GP to 2,000 people in my electorate, in particular in this area—which is well above the national average—a GP superclinic is critical. The significant shortage of GPs means that patients often experience long delays in gaining an appointment, and new patients to the area may not be able to see a GP locally. This also places enormous pressure on GPs, who struggle to keep up with the demand for their services.

The superclinic is located in Morisset, in the southern end of my electorate, and it is an area of targeted growth under state government planning arrangements. The superclinic will deliver the next generation of much-needed front-line primary healthcare services to the community and will have a range of health services available in just one location. This will provide greater convenience to patients, improve access to essential and primary healthcare services, and reduce the burden on hospitals for non-urgent attendances at casualty departments.

The proposed service mix consists of, but is not limited to, general practitioner services, complementary services including things such as after-hours care, visiting specialists, pathology, diagnostic services, pharmaceutical and dental services, services to support aged care, mental health, chronic disease management and preventative health care. In fact, Hunter-New England Health will have some services operating out of the facility, and there will be a training program for GP placements from the nearby University of Newcastle. Specialist medical practitioners from the Sanatorium hospital group have also expressed an interest in providing services to the clinic, as has a cardiac specialist from Newcastle.
It is expected that federal Labor’s commitment to develop the GP superclinic will tackle health workforce shortages in the area by encouraging the retention of locally trained GPs. Waratah Medical Services also recognise the importance of training medical students by providing high-quality education and training opportunities—which will help address the chronic medical workforce shortage in the region.

I am pleased to say that the superclinic will provide integrated health services to meet the needs and priorities of the local community and that some services, such as the X-ray facilities, will be operational by mid-2009, and the entire clinic should be operational by early 2010.

Mayo Electorate: Lower Lakes

Mr BRIGGS (Mayo) (4.24 pm)—I rise to talk about a very important issue to part of my electorate, and that is the extreme conditions of the Lower Lakes. Point Sturt, which is on the eastern side of my electorate and the western side of the Lower Lakes, is a bit of a jutting peninsula just near the very end of the Lower Lakes. In fact, at the southern part of it is the Goolwa Channel, which, as members will know, ends up at the Murray Mouth. People in this area are suffering the most extreme circumstances because of the lack of water. Where water used to lap up against their properties, it is now at least a kilometre away. It highlights a point that we have been arguing about in this place.

I did a tour of this land earlier this year with some local residents who cannot access water except through expensive water carting—something that during my by-election last year the then Leader of the Opposition and I addressed with a $50 million policy to help these sorts of people. There is a simple answer, and the state government could have fixed this some time ago. Three and a half million dollars would have seen a spur pipeline travel down the peninsula to Point Sturt and fix the issue that faces these people. The minister, Karlene Maywald, has been asleep at the wheel on this issue. This morning, on Matt and Dave’s morning program on 891 ABC in Adelaide, the minister again refused to answer and refused to confirm that these people would be helped. I suspect that that is because there is not a large amount of voters—there are only 75 people—but it has a real impact on their water security, on their security of living, and it has an impact on the land on that peninsula. The danger is that, if the cattle are taken off that land, the land will be left to rack and ruin, and no-one wants to see that occur.

We hope the federal government will now step in and fix the failure of the state government. It is clearly another area where the state government is just not up to it. This minister has failed completely in representing South Australia, representing the Lower Lakes, and I ask this House, I ask Senator Wong to use $3.5 million. It is not a lot of money. There is $12.9 billion allocated to this crisis to help these people in this time of need. We can find $3.5 billion to build plaques for schools, so I think we should be able to find $3.5 million to help these people.

This is a huge issue in my electorate, as members will understand. It is the single biggest issue. We should be able to ensure water security for our people. This is a small amount of people but we should ensure that this is the case. The Lower Lakes is a national disaster and what we are asking for is not a lot of money to help a small amount of people to get through this crisis.
Mr CLARE (Blaxland) (4.27 pm)—The story of Australia is really a story of migration. The first Australians—Aboriginal and Torres Strait Islanders—arrived here more than 40,000 years ago. My first ancestor set foot here in 1830. He was an unwilling migrant who arrived in chains, transported to Australia from Dublin, Ireland. His crime was stealing books. He was granted freedom six years later, got married, had five children and set up a small business. Since then, people from all around the world have made Australia their home, started families, set up businesses and added another chapter to our national story.

Thirty-four years ago the first Vietnamese refugees arrived on our shores. Like my ancestor, they had no choice. Many took the dangerous journey by boat. They came to Australia with nothing but innovation, determination and a willingness to work hard. They raised families, started businesses, built homes and formed organisations to look after new members of their community—organisations like the VCA, the Vietnamese Community in Australia.

On the weekend I opened the VCA’s new office in Cabramatta. If Cabramatta is the heart of the Vietnamese community in Australia then the VCA is its soul. It could be said that Cabramatta without the VCA would be like Egypt without the pyramids or Paris without the Eiffel Tower; it is what makes the place tick. They do a lot of valuable work for the community in Cabramatta. They help new migrants to settle and they connect people with the services they need in order to make a difference—antigambling programs and a number of welfare programs.

Next year we will celebrate 35 years of Vietnamese migration, and I am working with the VCA with their President, Tri Vo, with Mr Luu Dan from the Dan Viet newspaper and with their executive team to draw together the people to make this celebration happen. We are working on some exciting ideas: a public exhibition that gets the story of Vietnamese migration right, an oral history tour into primary schools and high schools to pass the stories of their grandparents on to this generation, a dinner here in Parliament House to recognise the contribution that Vietnamese Australians have made right across the country, and a permanent memorial in Cabramatta—the heart of Vietnamese Australia. The purpose is twofold: first, to remember what has happened—the dangers of the journey and those who never made it; and second, to celebrate everything that has happened since and everything that the Vietnamese community has achieved.

We are a nation of migrants, some old and some new. It is important that the kids at Cabramatta Public School and places like it, second and third generation Vietnamese Australians, kids who were born here, know these stories. It is important that we all know these stories. They are part of the unfolding Australian story. As Manning Clark said, we are a country always in the making. This is our story, a story that we should remember and celebrate.

The DEPUTY SPEAKER (Mr S Sidebottom)—Order! In accordance with standing order 193 the time for constituency statements has concluded.
Mr SYMON (Deakin) (4.30 pm)—Continuing on from where I left off yesterday, the subject that I was up to in my speech was Springvale Road, a project very dear to my heart. My concern, as noted yesterday, is that there had actually been an attempt in the House to put amendments up that would have taken funding away from this very important project. This road is something that has been a source of great concern and great congestion in my electorate for years.

As I mentioned yesterday, during the debate on the Nation Building Program (National Land Transport) Amendment Bill 2009, we saw the National Party put up amendments that would have taken funding away from the Springvale Road underpass. And they were supported by the Liberal Party. Fortunately for my electorate, those amendments were defeated in the House. But it is laying it on a bit thick when they campaigned on this issue for so many years, they went to the election promising that they were going to do it and then in the House they turned around and voted against the funding when it finally appeared. That is amazing. The Springvale Road grade separation is not the only road work that the Rudd government is contributing to in Deakin, however. The government is also contributing $1.9 million to Maroondah City Council and $2.09 million to Whitehorse council over the coming five years for local roads funding. That is an 11 per cent increase over what was there previously—a great improvement. These construction works will not just provide important improvements to local roads but be ongoing sources of employment in our local area.

In particular, I note the $396,000 in Black Spot Program funding for the notorious Dublin Road and Railway Avenue intersection. There have been many accidents there over the years due to the lack of visibility when driving out from Railway Avenue onto Dublin Road. It is so close to the railway line that there is always the potential for something really bad to happen at that intersection. I have often met with constituents who use this intersection. They always tell me about the need for traffic signals. It is a longstanding issue. This funding will provide for new traffic signals, pedestrian crossings and line markings, boosting safety not just for pedestrians and commuters but also for motorists—and even the ducks that sometimes cross the road to go the lake.

The provision of this funding is a tribute to hardworking local community members like Vivienne Bolitho and Lyn Donald, who have worked for years to see the intersection made safe for all. Their hard work and efforts in gathering some 1,400 signatures have paid off, with a $396,000 investment being made in local traffic safety. I congratulate Vivienne and Lyn and everyone else involved in campaigning for this funding over such a long period of time.
The Rudd Labor government is also investing in our vital community facilities, providing local jobs that help boost our economy and leave valuable and much needed infrastructure for the next generation at the same time. I am especially proud of this government’s $2.9 million commitment to Ringwood’s Jubilee Park. Added to contributions from the Victorian government and Maroondah City Council, the soccer arena will be completely refurbished in a $3.55 million redevelopment. What we have there now is a building that is on its last legs. It was built in 1962 and it certainly looks like it has never been touched. If left much longer, it would certainly hit the ground by itself. This funding will pay for the demolition of the old building and then the building of a state-of-the-art facility that will boast new change rooms with disabled access, a boxing gymnasium, terraced sporting areas, pole lighting for the field and administrative areas for regional sporting organisations, as well as modern environmental measures such as solar power, water tanks and recycled water systems. The ground will be done up with a synthetic pitch. In summer it is brown and dead. In winter it is patchy and lumpy. It is not always an attractive playing surface, by any means.

When this project is completed we will have a state-of-the-art facility in Ringwood. The popularity of soccer continues to grow, especially junior soccer and women’s and girls’ soccer, and that is a great thing to see. This is a case of government doing it once and doing it right, working closely with the local council to ensure that the facility meets a range of needs, not just those of the soccer club. It provides a visionary facility for the coming generation and not a patch-up job of something old that may only last the next five years. I know that this facility will be a boon for the local Ringwood City Soccer Club and I am sure that it will increase the usability and use of their facility. The redevelopment of this facility will also become a home for the MVC Boxing Association, a group I know the state member for Eastern Metropolitan, Shaun Leane, has worked very closely with. This is fantastic news for their club.

Then there is the $2.3 million Wembley Park redevelopment in Box Hill South, which is the adjoining electorate to my electorate of Deakin. It is a ground that is used by constituents of both electorates and is also in a similar state. It has not been maintained as well as it should have been over the years and the fact is it is just old. So local soccer in my area is growing in popularity and will grow even more with this investment in community infrastructure.

Moving on, I would like to note especially this government’s commitment to social housing. For too long policy action by federal governments in this important area was left in the too-hard basket. This government has recognised what needs to be done to assist those that need a hand and that the social housing stock of this nation needs a boost. Members of the House, I am sure, would be aware of the Rudd government’s $6.4 billion investment in creating 20,000 social housing homes across the nation. This is a magnificent commitment and one that I want to make clear my support for.

Recently I was pleased to host the Minister for Housing and Women’s Affairs in my electorate to see first-hand the work being carried out to improve social housing dwellings in my area. Some 66 homes will receive upgrades and maintenance, totalling $410,000. Some of these homes were built 19, 20 or more years ago and really received no maintenance whatsoever in that entire time. They have actually been made into very nice, livable places that have not got rotting gutters or paint peeling off the walls. They are attractive, and so they should be so that people can live decent lives in them.
Sixty-six properties may seem quite insignificant in the national scheme of things, but of course locally they all add up. Even better, that is just the first round of funding and the first round of houses put up under this program. It is not just refurbs and refits of these houses; there are also new social housing dwellings getting built in electorates right across Australia. I commend the government’s efforts in this area and I look forward to more good news on the social housing front after years of neglect.

As someone with a background and personal interest in information technology, I want to take this opportunity to remark upon the government’s National Broadband Network. This $43 million superfast network featuring fibre-to-the-home coverage is one of the greatest national infrastructure projects ever undertaken. Apart from bringing Australia’s information networks into the 21st century after years of neglect and a complete lack of foresight by the previous government, the network will be a boon for businesses of all shapes and sizes.

It will also be a great thing for homeowners. Having access to real broadband fibre to the home will open up possibilities that simply are not there now even if you do have a fast ADSL connection. It certainly means that more people will be able to work or do business from home. That can also be a very good thing for people who may not have to go into the office but at the moment do because their communications are simply not up to scratch.

I recently received an email from the proprietor of an accounting business that is close to my electorate office. He wrote:

I would like to applaud the announcement of yesterday regarding the National Broadband Network— and he went on to say—

This must be the first time in years and years that a government has done something worthwhile.

I would like to think that this government has done a lot of worthwhile things— Building the Education Revolution and the removal of Work Choices, just for starters, and I could go on with a list all day. My local accountant supports the government’s action on broadband because he sees the benefits that will come to his business. Maybe it means he will get to spend more time at home rather than commuting to work when he really only has to do a desk job most of the time. The National Broadband Network is a visionary step forward in communications technology. I certainly commend the Rudd government for taking this bold step.

A number of local small business owners that I have met with in past months have also indicated their support for another government initiative—the now 50 per cent tax break for small business. In fact, they are very happy with it. The questions they ask are: how soon can we get it? Why is it finishing so quickly? Of course, the explanation is that it is about bringing forward demand, and it is certainly working. This measure supports local businesses, improving cash flows and then in turn, hopefully, allowing some small businesses to keep staff on during the global recession.

This measure, along with the reduction in pay-as-you-go tax that will benefit 1.5 million small businesses in Australia, and the doubling of incentives to invest in research and development through the research and development tax credit are acts of a government that is actively assisting the small business sector of the economy that supports jobs. This government, unlike the last, has steadily turned an eye to the future and is investing heavily in innovation, research and development.
The government will dedicate $3.1 billion over the next four years, focusing on university level research, the sciences, business innovation and infrastructure. This investment will raise the government’s investment in science and innovation to $8.6 billion in 2009-10. I was particularly pleased to see that this budget provides a $51 million increase to the Australian Postgraduate Award stipend. That is a rise of 10 per cent a year in 2010.

Along with $51.6 million from 2012 to replace the inadequate indexation arrangements that currently exist for research block grants to an index that recognises better the cost pressures on Australian universities, there are many other measures in this budget that will support jobs in high-tech industries. That is a total of $3.1 billion invested in public and private sector research over the next four years. The Super Science programs will enhance our nation’s research and technological development in the areas of astronomy, climate studies and future tech and, importantly, in bringing through our next generation of scientists, with $27.2 million for 100 new Super Science Fellowships.

I have mentioned briefly the simplified research and development tax credit, which will replace the R&D tax concession and open up access to an estimated $1.4 billion a year for businesses looking for ways to innovate and improve. I am proud to be part of the government that has showed a renewed appetite for both science and innovation.

All members of this House will be keenly aware of the Rudd government’s $14.7 billion commitment to Building the Education Revolution. As a government, we have backed up our words on education with a once-in-a-generation—some have told me a once-in-a-lifetime—investment in our school system. The building works have already begun at some schools, supporting jobs in the local area.

Over the past four months I have worked closely with school principals across my electorate on their applications for funding under the Primary Schools for the 21st Century, the National School Pride Program and the science and language learning centres program. I commend the efforts of the principals in conjunction with the school councils and parent associations for advocating for what it is that their school needs and for their great interest in the programs. My local schools are brimming with community-minded people who, by and large, are dedicated to providing better outcomes for the students in their care.

Recently, round 2 of the National School Pride Program was announced, bringing our total commitment to Deakin schools under this program to $8.925 million across the 39 schools in my electorate. I know that this funding will go a long way in ensuring that local schools can address their maintenance needs and enhance their facilities. What is the flow-on effect of all this construction work? It is jobs. It is not just jobs in the construction industry; it is jobs for all of the industries that operate alongside the construction industry. Suppliers, engineers, architects and even local lunch shops will benefit from this. It is a great thing for our local area.

As part of round 1 of the Primary Schools for the 21st Century program in Deakin, Blackburn Primary School received $3 million; Burwood Heights Primary School received $2.5 million from the federal government, along with another $2.5 million from the Victorian government; Burwood East Primary School received $2 million; and St Luke the Evangelist Primary School received $2 million for new constructions.

I am proud to be part of a government that has set the wheels in motion for the introduction of paid parental leave. From 1 January 2011, the primary carer of a newborn or adopted child
will be able to access 18 weeks paid parental leave. This leave will be paid at the level of the federal minimum wage, and parents can combine paid parental leave with existing employer provided paid leave. Approximately 148,000 new parents will be eligible for the paid leave each year. Remember that, aside from the US, Australia was the only OECD country that did not have a paid parental leave system.

Over the past year many pensioners have told me that they felt like they were left behind after the good economic times over the previous decade. Especially, their pension has not kept pace with the rises in living costs. This is especially the case for those pensioners who rent and who have laid down their roots over many years in an area, only to move because of rising rents. This government has listened and will introduce a weekly $32.49 increase in the single pension and a $10.14 per week increase in the couple pension. This will benefit approximately 19,200 pensioners in my electorate of Deakin.

This government has got it right after years of mean penny pinching during the years of plenty under the coalition. I commend the bills to the House.

Mr NEVILLE (Hinkler) (4.46 pm)—In speaking about the Appropriation Bill (No. 1) 2009-2010 and Appropriation Bill (No. 2) 2009-2010 I am reminded of the Labor Party branding itself ‘economically conservative’. It is akin to that famous line, ‘You can put lipstick on a pig but it is still a pig.’ If we want to stay in that idiom, if ever the public has been sold a pig in a poke—lipsticked or not—we were sold one on the night of 12 May, when the government handed down its budget.

Labor’s short-sightedness and irresponsible approach to spending has saddled future generations with crippling debt. Every Australian family is going to pay dearly for many years to come. Somehow in the space of 18 months the Rudd government has frittered away what was the strongest economy in the Western world. The surplus of more than $20 billion has now turned out to be a deficit of $58 billion—all that within a year—and unemployment is on the rise, predicted to go to 8½ per cent. In the not-too-distant future we will have one million Australians out of work—an absolute indictment of the party that prides itself as apparently standing up for the workers.

Under the former coalition government there were more workers than ever before, so much so that we had to import workers. Those people who were workers got to enjoy the benefits of their labours, with affordable private health insurance, superannuation co-contribution payments—partly axed in this recent budget—high wages and a government which put away billions of dollars for the future for education, communications and the superannuation of Australian public servants. Now they face the prospect of unemployment, a weakening small business sector, fewer services, massive debt and debt’s inevitable consequence—and we should never forget this one—higher taxes.

Of course, the Labor government says every single economic decision has been framed by the global financial crisis. Labor is busy telling Australians, ‘Don’t worry about what we are doing in the domestic economy, because we are far and away better off than any other nation.’ That line starts to wear a bit thin when a debt-ridden Labor government starts accusing the opposition of talking down the economy. Nothing could be further from the truth. Holding a government to account for its decisions and the decade-long ramifications of those decisions is what a robust opposition is all about. This business at door stops and saying in the parliament, ‘What would you do?’—it has never been the responsibility of oppositions; govern-
ments are elected to govern. They have control of the portfolios, the public service and they have the levers of the Treasury. It is for them to frame a budget, line by line. It is the role of the opposition to criticise it—not to write an alternative budget.

I also suspect that the financial crisis will end up being the biggest get-out-of-jail-free card that Labor could ever possibly have. That is exactly what this new government is counting on. The shadow Treasurer has pointed out that, while the global recession is the most severe economic downturn since the 1930s, it does not logically follow that it is the worst economic downturn for Australia since the 1930s. We should not be subsumed into that sort of dizzy thinking. The government is simply trying to paint a bleaker picture to try and camouflage its own incompetence.

In the year 2012-13, we can look forward to net public debt of $188 billion, which is double the peak debt under Paul Keating’s government, and a sum which will rack up about $8 billion of interest a year, even at the current low interest rates. Worse still, Australians are looking down the barrel of an ultimate peak of about $300 billion. Labor’s love affair with debt is a love that dare not speak its name, given that the Prime Minister’s reluctance to utter the phrase ‘$300 billion worth of debt’ carried on for nearly two weeks. With $9,000 of debt for every man, woman and child in Australia, and including those in my electorate of Hinkler, my constituents are now carrying a burden of about $1 billion. That cuts right across the electorate; for example, that breaks down to $436 million for Bundaberg, $496 million for Hervey Bay and $60 million for the Isis shire. The debt cannot be paid off in the short term. It is a burden that will be carried by children and even grandchildren. Having to repay debt along with interest means there will be less revenue to spend on hospitals, schools, roads and the environment. Australians are right to question the government’s competency when it comes to handling our economy.

The government got us into the current mess, but even more concerning is its ability—or lack of ability—to get us out of it. Just last week, the Prime Minister told Australians that he had a plan to pay off the net debt—a sum of $203 billion—by 2022, but this plan hinges on economic modelling which shows above trend growth for six consecutive years followed by trend growth for another six years. This is absolute fantasy. It relies on an unprecedented 12 years of uninterrupted growth or growth well above historical trends. To meet this aspirational target, the government will have to deliver budget surpluses of more than $25 billion a year for at least eight consecutive years. Given that the surpluses have met or exceeded two per cent of GDP on only three occasions in the last 40 years—that is, 1970, 1971 and 2000—what is the likelihood of that dream ever happening? Pretty much none. The government’s decision to means test the private health insurance rebate is another example of short-sightedness when it comes to looking after the health needs of Australians. In fact, I have six different quotes, some as recently as February this year and February the previous year, from the Minister for Health and Ageing that say, ‘We will not be altering the private health insurance rebate.’ But the government has done that. The Prime Minister said, ‘The buck stops with me,’ yet within 18 months the pledge is broken. More than 9½ million Australians hold private health insurance, contributing more than $10.6 billion to our health-care system last year and freeing up much needed space in the public hospital system. Now the government wants to slash rebates, forcing people to either leave the system or pay even more for their health coverage. It is estimated that by the end of next year more than one mil-
lion Australians will have dropped out of private health insurance or reduced the level of coverage while premiums themselves will probably go up by about 10 per cent each year.

That is going to take extra dollars from the pockets of local families who have striven to pay their own health fees. I am sure that Australians will languish on public hospital waiting lists because the flood of people leaving the private health system will exacerbate the public health system. In my own electorate of Hinkler, 51,000 people are covered by health insurance and each and every one of them will be affected by the government’s decision. The health minister’s recent statement that there has been significant development and positive signs of improvements in public hospitals concerns me. I do not know what fantasy land she lives in. If we were to follow her line of thinking, we would be right in assuming that all is well with our public hospitals and that people who are forced out of private health insurance because of Labor’s means testing will easily be accommodated in the public system. For a start, just have a look at the public hospitals of New South Wales. Week after week in the Sydney newspapers we read about one regional health council after another not being able to pay its bills, not even being able to pay its food bills much less its medical expenses, and doctors bringing their own swabs and bandages from their surgeries to the hospitals. This is just Third World stuff.

Mr Deputy Speaker, let me take you to Queensland where I live. As recently as March, the AMA reported that the Queensland health system was still plagued by ongoing problems such as severe shortages of acute emergency and overnight hospital beds, staff shortages, high bed occupancy and declines in the standard of basic workplace facilities. The performance report of Queensland public hospitals for the December quarter of 2008 showed that more than 7,000 people were languishing on surgery waiting lists and that 259 category 1 patients were waiting longer than 30 days for their surgery. This is the system that the Rudd government promised to fix at the last election—that all the interstate rivalries and troubles would be torn down and all of a sudden these hospitals would all come good. How on earth will the public system cope when one million people alone will flood onto it from the private health insurance field?

Another abominable budget announcement, one which will scupper the higher education hopes of thousands of young Australians, is lifting the work requirements to acquire the independent rate of the youth allowance. This is a dramatic and an unfair change which will affect an estimated 30,000 students around Australia. Most members will have been contacted by parents or students who are very concerned about this policy. In fact, it is not even going to be grandfathered for its first year of introduction. Many young people strive to get to a university of their own choice and these new requirements will force them either to put work before study or to put a massive financial burden on their families to subside these studies. Let us face it: kids from the regions do not often have the option of staying on the cheap with the family while they pursue their studies from home. This policy change is going to make their lives—and I am speaking mainly of kids in regional and country areas—and the lives of their parents very difficult indeed.

Currently, students are able to qualify for the independent rate by earning $19,532 per year or more during a gap year. For the next year onwards, students are going to have to work for 30 hours a week for at least 18 months in the preceding two years to qualify for the independent youth allowance. What a nonsense that is, Mr Deputy Speaker. Have you ever heard any-
thing quite so nonsensical? A student is going to have to take 80 per cent of a full-time work-
load. Do you really seriously think that someone doing that is going to be able to study? To
get that 30 hours on an ongoing basis over 18 months is just not going to happen. You would
be flat out doing this in the capital cities, but you would have no chance in the regional areas,
and you would have even have less chance in a country town. Even assuming you could do
that, why would you pick 18 months? Eighteen months stuffs up another year of study be-
cause most universities—not all—do not encourage start-ups in the middle of an academic
year.

In many universities that will effectively mean a two-year gap. And we all know what hap-
pens after a two-year gap: it is harder to get back to study after two years than it is after one. It
is hard to get back to study if you are working. It is hard to get back to study if you have
bought a car and you are paying it off. So it goes on. I think we will have massive dropouts at
a time when this country, and the government itself, are crying out for better academic futures
for students. The great education revolution! I ask the members opposite from the govern-
ment: how does this mesh up with the education revolution? Pray tell, because I cannot see it.
From a practical outlook, anyone working at least 30 hours a week and studying is clearly not
putting their studies first, and I have said that quite clearly.

The other thing I want to talk about is roads. Roads are very important in my electorate. I
have put a lot of time into roads and I was very successful with the last government, but I
really find great problems with the new government. The Minister for Infrastructure, Trans-
port, Regional Development and Local Government yesterday tabled something in the House
that absolutely staggered me. Out of what used to be the R2R strategic fund the government
has now got this Orwellian concept of the Nation Building Program off-network fund. It is the
same fund—for this year anyhow. So out of that $655 million, $540 million is going straight
to Labor electorates. You might say that that is just the luck of the draw, but wait a minute.
These are not going to be put up to Infrastructure Australia for pre assessment; there is none
of that. When asked at estimates what the basis of assessment was for handing out these
grants, the government could not say. This is the same government who, in this same House
this week, criticised the previous government for having a few dodgy projects under the
ACCs Regional Partnerships program. There were only a handful of them when it really came
down to it but in this case it is hundreds of millions of dollars that is just being handed out
willy-nilly without any pre-assessment, without any justification in estimates and without any
reference to Infrastructure Australia.

There is another thing that troubles me. I have pushed the idea of extending the Black Spot
Program because it is the one that goes into regional, rural and country roads, not the arterial
roads. It finds dangerous areas such as badly banked roads, culverts and places where people
slip off the road—all those sorts of things that you cannot get round to fixing in one go. It is
about going in and taking the hot spots—called the black spots—out. It is a great program.
When I heard the government was going to extend it, I was prepared to really congratulate
them. But there was a catch. What they are going to do is allow it to be spent on the national
highways. That is crazy because the national highways have their own program. It is already a
Commonwealth responsibility and it already has its own maintenance program. So the gov-
ernment creates this idea that it is going to provide a great Black Spot Program and then it

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says it is going to take that much of it and put it on to national highway roads. That is just a
spin. That is just a cost-shift on the books that does nothing extra for black spots.

I have a lot of roads in my electorate that I want to see done. I want to see one called The
Old Toogoom Road completed. Hervey Bay, which is very similar to the Gold Coast—a long
thin city—needs another artery right through the middle; one from Urraween Road through to
Boundary Road. I want that done and I want River Heads Road done. They are the sort of pro-
jects that the R2R strategic program was meant to cover. What we have actually had under
this is money that was dedicated to those sort of regional situations—$540 million of it—
picked up and thrown in to election promises in Labor electorates. It is just absolutely outra-
geous.

Pensioners are always a big worry to me, and pensioners did receive an increase in single
pensions—and I applaud that. That was long awaited and it is something that I fought for in
my own party for years. But to give pensioner couples $5 per week each is an absolute insult.
I recognise the need for having the gap between the single pensioner and the pensioner couple
closed up a bit. It was well recognised that that gap had to be filled. But surely to heaven you
could have given them 15 bucks each—30 bucks for the couple. That still would have very
heavily favoured the single pensioner. But no, that has not happened.

Pensioners do have a tough time of it, and to say that the opposition never did anything for
pensioners when we were in office is quite wrong. We brought in a range of things including a
utilities allowance. We also brought pensions onto the MTAWE, which the previous govern-
ment had not done. By the time we went out of power that meant about $45 a fortnight more
to pensioners than would have been the case if we had stayed on the Keating formula. It is
pretty obvious that I did not particularly like this budget, nor do I think that my electorate will
like it. I commend the government on those things that they did do, like looking after the sin-
gle pensioners, but there were precious few of those moves.

Ms HALL (Shortland) (5.06 pm)—Unlike the previous speaker, I thought this was a very
good budget. This will be my 11th budget speech since I have been in this parliament and I
would have to say that this year’s budget was one of the most pleasing budgets to me. I stood
up in this House for the first nine years I made budget speeches and was unable to find any
single line item that actually related to my electorate. Some of the bigger line items applied to
people throughout Australia but for people in Shortland electorate—items that were Shortland
electorate specific—there was nothing.

One thing that I think is so good about this budget—no matter whether you are a member
of this parliament representing a government electorate or someone representing an opposi-
tion electorate—is that you will be able to look at the budget and find line items that actually
relate to your electorate. The benefits in this budget do flow across electorates. It is not a mat-
ter of pork-barrelling and putting everything into Labor electorates. In fact over 50 per cent of
the infrastructure funding has gone to coalition seats, which is very different from what hap-
pened in the past.

This budget was not an easy budget to formulate. It was a difficult budget because these are
difficult times. I do not think that since the Great Depression has a government been con-
fronted by such economic circumstances as the Rudd government faced in the lead-up to this
budget with the global financial crisis and the virtual collapse of money markets throughout
the world. If you look at the UK, the USA and Europe, you can see the turmoil.
Then you look at Australia and you see that the actions taken here have put Australia in a very good position. We are handling this global financial crisis better than any other country in the world. You could be forgiven for listening to speakers in the opposition and thinking that the stimulus packages and all the initiatives that the Rudd government has taken were taken totally in isolation, that Australia was not only an island, as we are, but an island that has no connection to any other country in the world and that everything that happens in Australia happens in isolation.

That is not the case. What happens in Australia is related to what happens everywhere in the world. The economy of Australia is part of a global economy and it is integrated into the economies of other countries. Because of that, and because of the challenges of the global economic conditions, the formulation of this budget had to be approached very carefully. On one hand, you had declining income. The resource boom was tapering off and the economy was slowing down. As the mining boom unwound, revenue has been hit and unemployment has risen. That did not happen because there was a Rudd government here in Australia; that happened because we are connected to the rest of the world. It happened to a lesser extent in Australia and I would argue very strongly that that is because of the steps that were taken at the end of last year with the first stimulus package and with the second stimulus package in February.

Within my electorate, the people understand that there is a difference and that we are in difficult times. They appreciate the fact that they have a government that is prepared to make some really hard decisions and that at the same time is investing in the future. The previous government failed to do that. It had great economic times. Everything was booming. But we had a chronic skills shortage in this country. Time and time again I stood up in the parliament calling on the government to do something about the skills shortage. But nothing happened. Now we are in difficult times. Our infrastructure and employment programs are designed not only to meet the economic circumstances of the current time but also to prepare Australia for the future.

As a nation, we will come out of this global financial crisis and out of this downturn in a very strong position. That will be because of the initiatives and the hard and smart decisions that have been taken not only in this budget but through the previous stimulus packages. It is interesting to note that Standard and Poor’s have reaffirmed Australia’s AAA rating. Once again, that says that our economy is strong. Australia has the confidence of Standard and Poor’s and is thought of as being a very strong economy.

I would now like to talk about the benefits of this budget to my electorate. In 1997, the then Liberal government made a decision to close the Medicare office in Belmont. This Medicare office was one of the busiest Medicare offices in the Hunter and the Central Coast. But it was in a Labor held electorate, so the decision was made to close that office. There was no thought given to the fact that people living in the electorate tended to have lower incomes and were very elderly. The electorate of Shortland has the 10th oldest constituency in the country. To actually obtain their refunds from Medicare and access all the other services from Medicare, pensioners had to travel some distance. Quite a few of those pensioners did not even have their drivers licences and others had restricted licences which prevented them travelling to Charlestown, which would be the Medicare office that they would visit, or to Lake Haven,
which is some half-an-hour down the Central Coast. So there was this bloody-minded decision to close that Medicare office because it was in a Labor held electorate.

The staff of the adjacent Medicare office identified that the single biggest issue facing Medicare in the region was the need to reopen that Belmont Medicare office. Year after year, I came to Canberra begging the previous government to have some compassion and to reopen the Medicare office. There were 20,000 signatures submitted to the then Howard government begging—yes, begging—it to reopen that Medicare office, but my words and the words of 20,000 people in Shortland electorate fell on deaf ears. I have been to every election since I have been standing as a member in this parliament saying that a Labor government would reopen the Belmont Medicare office. And guess what—it is happening. In this year’s budget, the money has been allocated to reopen the Belmont Medicare office, and it is probably the most popular announcement that has ever been made in my electorate.

We also gave a commitment to finish off the Fernleigh Track. That was included in last year’s budget. This year’s budget has allocated $35 million to the Hunter Medical Research Institute. It is a fine research institution doing cutting-edge research. It is thought of very highly within the Hunter region. This will allow for a state-of-the-art facility to be built to house the HMRI. The first time I visited HMRI was quite some time ago and it was operating out of a little back room at the back of the university. The institute now operates out of the John Hunter Hospital. The research that it has undertaken has received worldwide recognition. That was really great news in this budget.

This budget also allocated $1.5 billion for the extension of the F3 freeway, which is quite a significant amount of money. The residents of the Hunter have been agitating for a very long time to have that extension. The previous government always talked about it and always talked about undertaking plans. The member for Paterson was a great advocate for this extension, but unfortunately he was unable to secure the money. In this year’s budget, the money was allocated, and that is going to be of great economic advantage to the Hunter region.

I would have to say that in the Shortland electorate, given even those two big allocations of money, the single most popular announcement in this budget was the reopening of the Belmont Medicare office. I thank the Treasurer and the Prime Minister for delivering on that commitment that we made in the lead-up to the last election. It is a commitment that the people of Shortland will never forget. They will never forget the fact that their Medicare office was taken away from them and it was the Rudd government that gave it back to them.

That makes this budget so important to me, apart from all the other very important allocations of money that are included in it, such as investment in nation building with the infrastructure fund: the $4.6 billion for road networks and the $3.4 billion for upgrading highways. In question time today the Minister for Infrastructure, Transport, Regional Development and Local Government was talking about the Pacific Highway at Cowper. I grew up in Cowper. My mother and my sister live in Cowper. I know how important the upgrade of the Pacific Highway around Kempsey and those areas is to people living in that region.

There is $3.2 billion for public hospital infrastructure. There is $1.5 billion for new solar technology. That is a very significant budget item, particularly given that we will be debating the CPRS in parliament this week. The National Broadband Network will put Australia in a very competitive position. It will enable us to access the high-speed broadband that we need to be an important player on the global scene. There is $389 million to expand infrastructure,
and the port is very important in the Hunter region. There is also the school infrastructure package.

As I mentioned earlier, in the past I always found it difficult to find any budget items that referred to the Shortland electorate. With the funding in this budget for the stimulus package we have received $28,745,000. That is a lot of money. There are 720 projects. In 49 schools there are 64 projects. In the first round of funding there were 38 schools and 48 projects and in the second round there were 11 schools and 11 projects.

Seventeen social housing units in Shortland have been approved, to the value of $4.3 million. Construction will start this year. Six hundred and thirty-one social housing units will undergo repair and maintenance. That is very important. Basically 100 per cent of housing in Windale, a suburb in the Shortland electorate, is by the Department of Housing. The people living in that area will now be able to have much-needed repairs done to their houses. That will be greatly appreciated.

There is $1 1/2 million for the Black Spot Program and nearly $4 million for the Community Infrastructure Program. These programs are all so important to the people I represent in this parliament. They can see that they are considered as being important enough to have projects funded in their area. They no longer feel that, because they are in a Labor area and there is a coalition government, they are being ignored. I am really hopeful that people in coalition electorates also note that we are not ignoring them either. It is not pork-barrelling and just spending money in Labor electorates; it is about spending money where it is needed across the whole of Australia. A person should be able to expect that, regardless of whether they are in a Labor electorate or a coalition electorate, their needs will be taken care of.

I will quickly mention the increase for pensioners. As I have mentioned, there are many older people in the Shortland electorate. The benefit for single pensioners is much greater, with the budget taking it up to two-thirds of the couple rate, level-pegging it with countries throughout the world. The budget also provides a smaller increase to couple pensioners. It also streamlines the way bonuses and allowances are paid. They will be paid fortnightly, which I think is a better way for people to be able to plan and to access their money.

Finally, I would like to touch on what this budget delivers to small business, because small business is so important to the Australian economy. The small business tax break has been very, very widely accepted and appreciated within my electorate. It was only last week that I had a small business person come in to my electorate office and say it was one of the best decisions they have seen any government make. They are also very pleased with the research and development tax credit. I could talk at some length about the benefits to small business that are in this budget, but I will just say that this government recognises the vital role that small business plays in our economy and that is why we have directed so many budget initiatives towards them. I commend this budget to the House.

Mr PEARCE (Aston) (5.26 pm)—I rise tonight to make some comments in relation to Appropriation Bill (No. 1) 2009-2010 and cognate bills that are before the parliament which of course encompass the budget for this year. The first area that I would like to go to is the area of deficit. It is interesting to look at this budget and understand how this Labor government has actually plunged our country into such horrific deficit and debt. It is incredible that we are even talking about a deficit, because just 18 months ago, when Kevin Rudd became
Prime Minister of Australia, this nation was in a very healthy surplus position. Now, of course, we find ourselves in a difficult deficit situation, with a huge debt added.

When you look at the budget, you see the deficits projected. We have a $42 billion deficit projected for this year. That alone is a $50 billion turnaround in one year. We have a $58 billion deficit projected for 2009-10, a $57 billion deficit for 2010-11, a $45 billion deficit for 2011-12, and a $28 billion deficit for 2012-13. All of those add up to a massive $220 billion deficit from this budget. On top of that—as if that is not already enough—what it represents is the fact that this government will end up being the biggest spending government since World War II. This government will actually end up being the biggest spending government that Australians have seen since World War II.

According to the budget, the government will reach a spending level of 29 per cent of GDP. That is alarming in itself. Even more alarming, it is my onerous duty to inform the parliament tonight, is the fact that at 29 per cent of GDP that will make this government’s spending worse that that of the Keating government, if you can believe that. But, more worryingly, it will make their spending even worse than that of the Whitlam government.

Mr Laming—Incredible.

Mr PEARCE—Worse than the Whitlam government. By anybody’s objective measure, Australians would say that the Whitlam government would have to have been the worst government this country has ever had. But fancy being able to say to people, ‘We’re going to be a bigger spending government than the Whitlam government.’ It goes without saying that a government wearing such a badge is deeply troubling to all Australians.

Of course the essential issue behind deficits is that deficits equal public debt. We are heading for what will end up being a record in public debt. This government, since it has been elected—and bear in mind that it was elected in November 2007, so 18 months ago—has increased its own spending through its own programs by $124 billion. That is a big number in itself, but I think it is always instructive to break it down. When you do, you see that that is an average of around $225 million of new spending per day. I think that is a staggering amount of money. I am confident in saying I am sure that the member for Dobell, who has just come into the Main Committee, would not be able to spend $225 million a day.

A division having been called in the House of Representatives—

Sitting suspended from 5.31 pm to 5.42 pm

Mr PEARCE—If you break that down even further, that represents around $10 million an hour in new spending for every hour since the Rudd government was elected—an extraordinary level of spending.

As I said in the parliament just a few weeks ago, I think it is instructive to look back and see what people have said about spending in the past. I think it is always instructive, particularly, to have a look at what the Treasurer has said about government spending in the past. You see, in this year’s budget this government is spending record amounts of money. In and around last year’s budget, Treasurer Swan had quite a bit to say about government spending. As a matter of fact, in the AM program on 5 May he said:

… we are going to wind back the excessive increase in government spending that’s occurred in recent years …
This is from someone is now the largest spending Treasurer in Australia’s history. He also said:

But the previous government went on a spending spree …

This is from the largest spending Treasurer in Commonwealth history. Last year he was saying that we, the previous government, went on a spending spree. It falls to this government, the Rudd government, to rein in spending. This is from Wayne Swan, Australia’s biggest spending Treasurer, the Treasurer that has put Australia in more debt than we have ever known before in our absolute history. What an amazing thing for him to say. I think the best quote of all was at a doorstep interview on 10 May 2008. This is what the Treasurer said:

What you will see on budget night is a new era of fiscal discipline …

A new era all right! We have an era of absolute spend, spend, spend which will drive not just us but our children and their children’s children into debt. This will be a millstone around the neck of this country for decades and decades to come. Deficits are one thing and debt is another. The total debt that is projected from a net perspective will accumulate to $188 billion by 2012. As you would know, Mr Deputy Speaker, with debt comes a thing called interest. Interest payments alone are going to cost the taxpayers of Australia at least $8 billion a year. When you look at that interest payment, it is interesting to understand what that represents. The shadow Treasurer, the member for North Sydney, articulated this very well in a recent speech:

To put that ongoing interest bill into perspective: it is about twice the amount of money spent on housing this year. Two and half times the amount spent on sport, recreation and culture. The interest for one year will be twice the amount spent on agriculture, forestry and fishing. It’s twice the amount spent on public order and justice. And the interest bill is $1 billion more a year than we spend on transport and communications.

This government has again wrapped around all Australians a burden of massive debt that will last for decades and decades, and on top of that this enormous burden of interest. This means that the government will have $8 billion less to spend on much needed service delivery, such as hospitals, schools, health and education. It is interesting to break this deficit down to see what this means for every man, woman and child in Australia. It means $9,000 of debt for every man, woman and child in this country. What a staggering and poor reflection on Labor to give every man, woman and child in our nation a debt of $9,000 each. The interest bill alone will cost each person around $500 per year. Each day that Australians go off to work, they can know that not only are they working to look after themselves and their families but also they are needing to work to pay off their $9,000 worth of Labor debt and $500 worth of interest.

There are many other aspects of the budget that are worthy of comment. One of the areas is the change in the budget to superannuation. In introducing this subject, it is interesting to remember that it was only 12 days before the last election that the Prime Minister said on radio in Brisbane:

There’ll be no change to superannuation laws one jot, one tittle.

That was a quote from a radio program on 4BC 12 days before the last election. We all know that the Prime Minister is prone to the use of interesting words such as ‘jots’ and ‘tittles’, but we have seen in this budget significant changes to the laws of superannuation just 18 months after he promised not to change them one jot or one tittle. The government superannuation
contributions for low- and middle-income earners have been slashed by one-third while tax relief on other people’s superannuation concessional contributions have been cut in half. Again, you see Kevin Rudd, the Prime Minister, during the election campaign saying one thing and then breaking that and doing an entirely different thing once he gets into office. We hear all the time that this is all the result of the global financial crisis, but while we were in government we weathered the storm of the Asian financial crisis, we had the worst drought in 100 years, we had the tech wreck, we had the war on terrorism, we had SARS and we had the world oil shock.

Throughout all of that, we created a record 2.2 million new jobs in Australia; the rate of unemployment hit its lowest level in over 33 years; the economy sustained consistent growth, year on year; real wages increased by more than 21½ per cent; and $96 billion worth of Labor debt was repaid, which saved over $8.4 billion a year in interest. Taxes were reduced for all Australians. We reduced personal income tax and marginal income tax. We introduced the lower income tax offset. Superannuation payments received tax reductions—and capital gains tax, of course. We also presided over the fewest strikes in Australia’s history, and our credit rating was upgraded twice to AAA. That is what the coalition government achieved during its term in office, whilst we weathered all those significant global events, as I said.

What has happened since Labor came to office? Since Labor came to office, a few things have happened. The first thing is that the economy has gone backwards since Labor came to office. Second, unemployment has risen. There are more people out of work now, since Labor came to office. Consumer confidence has totally collapsed since Labor came to office. Business confidence is at all-time low since Labor came to office. Industrial disputes have increased since Labor came to office. Taxes have increased since Labor came to office. The budget has gone from a healthy surplus to a massive deficit since Labor came to office. The Prime Minister has spent almost as many days out of the country as he has in the country since Labor came to office. The level of wealth in Australia’s households has experienced a significant decline since Labor came to office.

In summary, since Labor came to office, Australia has had inflicted on it what is really an inexcusable trifecta: higher debt, higher employment and more strikes—all since Labor came to office. This budget is another poor reflection on the way that Labor manages this economy, and that is why Australia is now suffering higher debt and higher employment than at any other time since World War II. It is a very poor reflection on Labor.

Mr CRAIG THOMSON (Dobell) (5.52 pm)—I also rise to speak on the Appropriation Bill (No. 1) 2009-2010 and related bills. I fear the contribution for the member for Aston was very like the contributions from everyone from the other side, in that they dare not mention two things: the global recession and alternative policies that would actually make any difference to the country.

Mr Bidgood—They’ve got a blind spot on that.

Mr CRAIG THOMSON—Because both of those issues are things that they have an absolute blind spot about. What we get instead from the opposition are a variety of proposals, but we usually find they speak a different language here in Canberra to what they speak when they go back to their electorates. It is very difficult to understand where the opposition are coming from.
This debt-and-deficit scare campaign they are running simply does not stand up to scrutiny. If we take the shadow Treasurer’s position then they would be looking at a debt about $25 billion less than Labor’s, but of course they oppose all the savings, the $22 billion worth of savings, so they would be in about the same situation as we are. If you take the member for Warringah’s position, then it is about a $21 billion difference from ours, so again you are talking about a very substantial debt situation.

The reason the opposition are conducting this scare campaign is that they know that what the Rudd Labor government have done through the budget and through the stimulus packages is to make sure that we can protect Australian jobs as best we can in the face of a global financial crisis, a global recession, that is impacting upon the whole world. Of course, in Australia we have done better than most countries, and again that is something that those on the other side simply fail to concede; they do not want to talk about it to any extent. We also find that, in their own electorates, those on the other side are happy to cherry-pick the positive contributions in terms of local infrastructure issues, but here in Canberra they speak a very different language.

I had the pleasure recently of visiting a public school in my electorate of Dobell on the New South Wales Central Coast to congratulate the principal, the P&C and the students on their approval of a new school hall under the government’s Building the Education Revolution program. On arrival, I could not help but notice a huge sign at the front of the schoolyard which said, in big, bold letters, ‘Great news: new hall for Tacoma Public School.’ Those words summed up not just how the school felt about the new hall but also the reaction of the wider community in Tacoma. The school is getting a new hall, but the hall will be used by the whole community in Tacoma, which currently has no such facility.

Under the normal criteria, this small school with only 154 students would not have had a chance to have a new hall funded. It would have remained a pipedream. The faces of the year 6 students who stood in front of the sign for a photograph were faces of genuine delight and happiness, even though those kids will have all moved on to high school before the new hall is built. They know that their younger brothers and sisters in the school community, and the general community of Tacoma, will be able to enjoy this structure for many years to come.

It is infrastructure projects such as these that this government is delivering to communities across Australia, helping to stimulate local economies and helping to protect local jobs. Across the Central Coast region, $16 million is being spent by the Rudd government under the National School Pride Program, which features small- to medium-sized projects to give schools a much-needed facelift. Over the two rounds, this project will deliver more than $7.37 million, made up of 54 projects in total, to 46 primary and secondary schools in my electorate of Dobell alone, to help stimulate jobs in our local community. Under the program which is delivering Tacoma Public School’s hall—Primary Schools for the 21st Century—a further $7.1 million is being injected into the Central Coast region under round 1, with more on the way in round 2.

I have spoken often in this place about the high unemployment rate in Dobell. It is substantially higher than the Australian average, and every local job that we can retain is vital. In addition to the high unemployment rate that we have on the Central Coast, and in Dobell in particular, 30 per cent of people who are employed commute to Sydney every day—a four-hour round trip. So local jobs are vital for the community and they help to build a stronger commu-
nity. Each one of these schools will become mini job centres, and there has been a strong fo-
cus on employing local people, local tradesmen, on these projects. I held a two-hour forum
with the Central Coast division of the New South Wales Chamber of Commerce, where we
went through the types of projects that are available for local tradesmen and builders. We had
close to 200 people turn up—people who were interested in making sure their local compa-
nies get part of this action. This is why I am speaking in favour of Appropriation Bill (No. 1)
2009-2010 and Appropriation Bill (No. 2) 2009-2010 and Appropriation (Parliamentary De-
partments) Bill (No. 1) 2009-2010.

Under the Rudd government’s economic stimulus plan, my electorate of Dobell will re-
ceive more than 600 projects, worth more than $22 million, to help boost the economy and
protect local jobs. I have mentioned the school projects, the total of which in Dobell alone is
$11.6 million under Building the Education Revolution. But there are many others, including
$4.3 million under the government’s social housing program to be spent on 16 housing units.
These have been approved and the construction is due to start this year, with dwellings to be
completed by 30 June 2010. A further $2.5 million will be spent in Dobell on repairs and
maintenance of no less than 545 social housing units. All this translates to local tradesmen
conducting work locally.

The other issue that I have spoken considerably about in the House is the number of
tradesmen that we have on the Central Coast. We have a much higher proportion of tradesmen
working on the Central Coast than most electorates. We also have a higher proportion of peo-
ple working in retail, which is the biggest employer in my electorate. Both of these areas are
front and centre of the budget and the stimulus package, and that is why they are so important
for the seat of Dobell.

The type of work across these projects is wide ranging. Typical school refurbishment pro-
jects, for example, will include painting, floor coverings, repairs to walls, fittings, roofs,
stormwater components and paved areas. One of the large high schools I visited, The Entrance
Campus of Tuggerah Lakes Secondary College, is having a new covered way built which will
extend along a fair distance of the total school compound. This is replacing something that
was built in the early 1950s, some 50-odd years ago. It has not been able to be replaced ever
since. You can see both the jobs and the social infrastructure that are being built.

There will be new school halls and covered outdoor learning areas built. Student amenities
will be fixed and classrooms will be spruced up. New pathways will be constructed in the
school communities. New basketball courts and sporting fields are also part of this program.
Some schools will have their security systems upgraded while others will have their car parks
renovated.

Wyong Grove Public School is another school in much need. It is one of the most disad-
vantaged schools in New South Wales and it is in my electorate. Every day many children
depend on charity and the local community to make sure they get breakfast when they come
to school. They come from backgrounds where breakfast does not come from their own home.
Wyong Grove is also gaining a brand-new hall and a covered outside learning area, which will
be put to good use for many years to come. This is important infrastructure for the whole
community.

There are other important infrastructure programs which these appropriation bills will fund,
including four black spot road projects in my electorate. Just over $1 million will be spent on
a black spot project in Tuggerah at the intersection of Wyong Road and Reliance Drive, on new traffic lights at the intersection of the F3 freeway and Sparks Road at Warnervale, on a new raised concrete safety area at Long Jetty and on wire rope safety barriers for both the southbound and northbound onramps of the F3 at Ourimbah.

New infrastructure is also being built under the auspices of the two councils in my electorate to the tune of more than $2.8 million. These projects are part of the single largest investment in local infrastructure in Australia’s history. They include more than $1½ million worth of priority projects in Wyong shire alone. There is $520,000 being spent to upgrade the Canton Beach playground, a popular spot on the north side of Tuggerah Lake, where families love to picnic and take in water activities such as sailing. There is $400,000 being handed to the Wyong Shire Council towards the major upgrade of the Baker Park netball courts in Wyong, which will bring the courts up to a standard which will allow them to host state events and other major tournaments. This in turn will provide further economic boosts for this area. The Saltwater Creek playground at Long Jetty on Tuggerah Lake, another popular park, will have over $100,000 to build toilets for the disabled. They recently raised money and built a special-purpose disability park there. This $100,000 means that they will have the amenities required to go with that park.

All of these projects are providing important infrastructure that the communities in these areas need and they are resulting in economic boosts for the area as well. I was delighted to be passing on the news of these projects to the local community. I was genuine in doing so, unlike those opposite, who say one thing in their electorates, put false grins on their faces for the local newspaper and then vote against these nation-building projects when they are back in Canberra.

The Rudd government understands that our community in Wyong is feeling the effects of the global financial crisis. I have made many representations in Canberra about the importance of local projects that generate construction activity and deliver much-needed infrastructure to improve the quality of life in local communities. The jobless rate in Dobell is, as I have said, well above the average. That is why it is so important that the local people are given work on as many projects under the government’s economic stimulus package as possible.

In Australia the forecast unemployment rate of 8½ per cent is well below the previous peaks of 10.3 per cent in the September quarter of 1983 and 10.8 per cent in the December quarter of 1992. The number of unemployed is expected to peak at just under one million people. One can only reflect on how bad these figures may have been if it were not for the Rudd government introducing the stimulus packages that it has.

The alternatives being proposed by those opposite are so open and transparent—and they are: leave it to the market; let the market rip and don’t worry about the government playing a role that will help cushion our economy from the worst of the global recession. That is why we have acted decisively. That is why we have acted to make sure that jobs are such a priority.

The government has committed $1.5 billion over five years to its job and training compacts with retrenched workers, young Australians and local communities, with $300 million allocated to give retrenched workers immediate access to intensive employment support. The government has increased the number of places across a range of training programs to help people upskill and reskill. We have put in place measures to keep young people at school or engaged in further education and training to prevent many from experiencing long-term un-
employment. Regions and communities hardest hit by the economic downturn will receive priority assistance through a $650 million job fund to build community capacity and to support local jobs.

Talking about helping support local jobs, the Rudd government is also getting on with the major projects in my electorate of Dobell, projects that were promised before the 2007 election and that are being delivered. Work has already started on the jewel in the crown in my area, the Tuggerah Lakes system. With the help of $20 million of federal funding, we will clean up the lakes. This is creating green jobs but also cleaning up the environment, something that is long overdue and something that the Rudd Labor government committed to and is getting on with and making sure happens. What was once an eyesore, with household junk scattered across the edge of the lake and noxious weed growing wild, is now being turned into a picture-postcard and picturesque area. This not only makes it better to look at but encourages the tourism industry that is so vital for many jobs in my area.

The program has had spectacular success in its first part at the north entrance, where noxious weeds have been removed and native vegetation planted, allowing the restoration of sensitive habitat for animals, including many sea birds. The project reflects a real working partnership between the government, the local council and local Coastcare groups.

In the very near future—probably within weeks—tenders will be put out for one of the largest civil works ever undertaken on the New South Wales Central Coast, and that is the piece of infrastructure known as the missing link water pipeline. The Rudd government is providing more than $80 million in funding for this pipeline, which will allow the region’s biggest dam to be stocked up with vital water supplies for the long term. This project is expected to support hundreds of jobs during construction and further permanent employment both directly and indirectly. Most important, it will secure the Central Coast’s water supply, helping to drought-proof the region. This is an area that has experienced the worst of the drought, falling to 13 per cent water capacity. Even with the heavy rain that the Central Coast has experienced in the last six to seven months, our dams are still only at 32 per cent. Until this pipeline is built, our water supply is at risk.

The wonderful Central Coast of New South Wales, where my electorate is located, is an attractive place for first home buyers, because homes are still cheaper than those in Sydney and they are considered to be of good value, given the lifestyle that comes with the investment. The median wage earned by Dobell residents is among the country’s lowest, so any government help that young families can get in buying the largest investment of their lives is appreciated. This will still be available for some time to come. The first home buyers grant has been very successful, particularly in my electorate. It has allowed people who would probably struggle to ever get into the market to do so—and on a sustainable basis—and has made sure that they can realise the Australian dream.

At the same time, it has stimulated the local economy and provided local jobs through the building of new houses in the rapidly expanding suburbs on the Central Coast. Most of the businesses in my electorate are small businesses. They will benefit from this extended measure in the toughest global economic circumstances that we have seen in three-quarters of a century. The measure will help the cash flow of businesses, cash that is needed even more when the financial climate is tight.
My electorate contains a high proportion of residents who are pensioners. The pension reforms in this budget will have positive effects in terms of targeting pension payments to those most in need, encouraging labour force participation—which will increase the living standards and retirement savings of senior Australians—and contribute to growth in the Australian economy. Maximum rate pensioners will receive $32.49 per week for singles and $10.14 per week for couples combined. This is reform that has long been called for, but it has been a Labor government, a Rudd government, that has delivered.

The opposition are engaging in a simple yet deeply cynical political exercise in the face of the challenges that we are facing with the global recession. They take their title of ‘opposition’ far too literally. Reasonable and responsible oppositions realise that on occasions the greater good of the nation is served by not engaging in an automatic default position of opposing anything that the government says or does. Strong democracies require an effective opposition that keeps government accountable. I hear in my electorate all the time that this opposition is going beyond this ideal. I have heard many times from voters of all persuasions that the opposition and the opposition leader simply oppose everything, no matter what the merits of the government agenda are. The born-to-rule mentality is alive and well in the conservative parties in this parliament. Instead of coming on board and supporting the government in protecting jobs and minimising the harm of the global recession that is taking place, the opposition is instead engaged in the cynical Crosby Textor politics of negativity and division.

The contributions that we have heard from opposition people in this place have all been about talking down the economy and putting a negative perspective on everything. They are happiest when the economy is going bad, because they see that as in some way helping their short-term political agenda. The Australian people want more; they deserve more. They deserve an opposition that will support the government’s initiatives in relation to making sure that jobs are supported as best they can be and that will support a budget that has measures that puts the Australian economy in a better position than most other economies around the world.

However, it seems that the sad truth is that the opposition do not care what damage they do to this economy by talking it down so long as they think that they can get some political opportunity out of this that supports their political position. Rather than calling them the opposition, we should call them the opportunists. They are not about what is in the best interests of this country; they are only about the short-term political advantage that they think that they can get. This is a global financial crisis, one that you will not hear the opposition talk about. You also will not hear them talking about constructive alternatives. They are about negativity. I commend these bills to the House.

Mr JOHN COBB (Calare) (6.12 pm)—Make no mistake, this has been a horror budget for the nation, with record debt and deficit. It is every inch a traditional Labor budget. A forecast debt of $315 billion—with no guarantee that this will not grow, and it almost certainly will—is something to contemplate. It is interesting that on the same day the Treasurer and the Prime Minister were quibbling over a mere $15 billion. Not very long ago, $15 billion was a lot of money—until the Rudd government started plunging us into debt of the order that we are now facing. Now $15 billion does not seem very much, does it?

Every man, woman and child in my electorate, the electorate of Calare, will owe probably around $14,500—not including interest. I should add at this point in time that interest is not
something that one should forget. Over the last 20 years, including the 10 years that it took us to pay it off, the interest on this last Labor debt of $96 billion was something like $108 billion. That was the interest, not the principle. The coalition left the current Rudd government with a record surplus and a Future Fund. In 18 months, that has not only been blown away but a $16 billion debt has been racked up. There has been $23 billion handed out in cash. When the cash is gone, we are still going to have a huge debt: as I said, $315 billion if we are lucky.

The Labor government is addicted to debt. It has no regard for taxpayers’ funds. Once they make the decision to cross the line from surplus into deficit, restraint seems to go out the window. And what happens now when all the bolts have been shot and the surplus has long gone? What happens when infrastructure priorities are shown to be wrong in terms of returning money to the Commonwealth to pay the debt off? The Rudd government is using the financial crisis, it seems to me, as an excuse to spend billions. For the first time they have taken the attitude that they can borrow what they need for their own particular social agenda and nobody will be able to go crook because they are simply saying that they are providing an economic stimulus package.

The $23 billion cash splash would have built infrastructure needed, certainly in regional Australia, as I am sure that the member for Grey would agree, for new highways—in our case—over the Blue Mountains to open up western New South Wales; the Melbourne to Brisbane inland rail; fixed spur lines; and black-topping many hundreds of kilometres. The good thing about all those is that they would have returned productivity, GST tax that would pay this debt off and not leave the huge legacy which we are going to be left with.

Rudd’s debt of $315 billion will also lead to the big issue of higher interest rates. You cannot have the government borrowing—what was it?—$2 billion a week, an awful lot of money, without creating a problem. Who are we competing against? We are not just competing against farmers. We are not just competing against small business. We are not even just competing against big business. We are competing for the same money that mums and dads want to build a house with or want to buy a car with. So everybody is going to end up paying high interest rates. There is one thing that you cannot do: supply and demand says that the more people who want something, the more expensive it gets, and with $315 billion—at least—of debt the government is chasing money and that means they are competing with all those people I mentioned.

Make no mistake, this is a horror budget for the agricultural sector and the thousands of people who are involved in it. We may not be riding on the sheep’s back but agriculture is still almost 20 per cent of our exports, and agriculture, fisheries and forestry industries, whether it is tuna at Port Lincoln, or wool from western New South Wales, or vineyards in McLaren Vale—and I can assure you, member for Grey, we also have some very good wine in my electorate of Calare; it is not all in Grey, though a lot of it is—are very important for all these people and the work and the jobs involved.

This is a budget that totally ignored original occupation in Australia. Agriculture is still one of the most important sectors, particularly from an exporting point of view, and it is compromising farmers’ ability to feed and clothe the nation and one heck of a lot of the world. One farmer said to me the other day, ‘Who would want to be a wheat farmer. Thanks to Labor at the state level and now at the federal level running down our rail lines, there is no way that a big crop can be moved to market.’ Despite the much-heralded spending of $3 million on a
committee to review rail lines in our region, now there is nothing in the budget to address that issue. There is certainly nothing in it to address transport issues in western New South Wales in particular.

In the electorate of Calare—and I looked at the huge infrastructure spending budget that the Minister for Transport and whatever else he is skites about, and all I could find in the Calare electorate were two or maybe three truck stops. Given our roads, I guess we should be thankful for that but when one thinks that every man, woman and child in my electorate is going to share in that $14,500 per person debt, one would have thought that we would get something.

Let us look at the agricultural sector again for a minute. There was $2.8 billion in the agriculture budget last year and $900 million less this time. On top of that, 312 jobs are to be chopped. What minister would allow drought, for example, to become the creature of Treasury rather than of Agriculture? We are talking about a Treasury that even hates giving people back tax refunds, and they certainly do not like funding drought. So instead of leaving drought funding with the people who are obviously supposed to deal with it—the agriculture department—you hand all that funding back to Treasury. Has that got anything to do, I wonder, with the fact that on page 60 of the agriculture budget papers it says that past 2009-10 there are no provisions for drought—not because drought is going to end but because drought programs are?

In what can only be described as a national disgrace, there is a massive $35.8 million cut in government funding to Australia’s quarantine and biosecurity programs. This will lead to the loss of another 125 jobs. Cutting the agriculture research budget is unforgivable. Cutting the quarantine budget is criminal. The Rudd government’s legacy could include—and I hope it does not, but it could with this sort of budget—disease, deficits and debt.

At the same time as the government is cutting its contribution to our quarantine and biosecurity programs, it is raising taxes and user charges on exporters who have no choice but to use AQIS services, and raising those charges by up to over 1,300 per cent, destroying jobs and export income. Whether it is drought—or ‘dryness’ as seems to be the new modern left-wing term—or climate change, farmers will have to do more with less. They certainly do that at the moment, and will until the drought ends. This is why the cuts to research and development not only make no sense but make a joke of everything that the Minister for Agriculture, Fisheries and Forestry or the Minister for Climate Change and Water say. And, having slashed R&D funding in this budget, it is the height of hypocrisy for the agriculture minister to be swanning around Europe as an observer to the G8 agriculture ministers’ meeting in April and saying, quite blatantly, in a press release: Australia has a major role to play in meeting the global food shortage and boosting global food security … We believe investment in agricultural research will be essential.

He puts his hand on his heart and says that in front of all his mates, the agriculture ministers in the major countries of the world. Then he comes home and what happens? Vital research and development programs are slashed, with $12 million cut from the Rural Industries Research and Development Corporation and the axing of Land & Water Australia. There is a resultant $45.9 million cut to research. Other cuts to the department include a $12 million cut through ‘identifying lower priority activities that can cease’ within the department. I shudder to think what that might mean.
Agriculture was the only bright light in our economy in the last quarter and it has now been gutted. Another legacy of the $315 billion debt will be a higher Australian dollar; that is inevitable. Today, the dollar is trading at over 80c. Anything over 75c makes it very hard for our agricultural industries to compete in export markets, particularly in Asia and our near regions. But the budget does nothing to explain the effect of the Rudd government’s emissions trading scheme. This is a major omission and will have a dramatic impact on the budget’s bottom line. Another issue which is causing much angst is the government’s decision to tighten the non-commercial loan rules. This measure extends the non-commercial loan rules to include payments by way of a licence or right to use real property and chattels. This reduces the scope for private companies to allow their shareholders or associates to use company assets such as real estate, cars and boats for free, or at less than their arms-length value.

On the face of it, maybe that is okay. But what it means in plain English is that some farming families will be hit with a new tax—some farming families who are using accepted practice for family companies. I hope the government realises the unintended—I hope it is unintended—consequence of this new tax measure and exempts our farming families from such a tax. Obviously they will pay tax on the result of that.

I can quite honestly say that Calare is one of those electorates which helps to a large extent create the wealth of this nation. We are a major exporting electorate. You do not have to be a rocket scientist to see that this budget does nothing for regional communities—certainly in western New South Wales and I would think it will not do much for northern South Australia either. There is no vision for inland Australia but there are plenty of nasty surprises.

For example, the changes to the eligibility criteria for the independent youth allowance in last month’s budget are guaranteed to make life much harder for those in remote and regional places. We actually do not have in Condobolin, for example, a university to which you can travel every day on the local bus and live at home. That is the cheap option. I am afraid that is not an option for us. Current gap year students who have, in good faith, worked for at least 15 months over an 18-month period or earned more than $19,500 in that time have had the system suddenly changed on them. The number of calls in my electorate offices in Cobar and in Orange on this issue is as great as anything I have ever seen. From 1 January they need to work at least 30 hours a week for 18 months in a two-year period. For gap students this obviously doubles the time before they can go to university. As was pointed out in the only daily paper in my electorate, the Orange Central Western Daily, the changes have devastated residents such as Laura Wannon, who took a 12-month job at East Orange post office for the sole purpose of qualifying for the youth allowance. With her parents currently supported by only one income Laura needed the youth allowance to fund her studies away from home at the ANU in Canberra next year. ‘Qualifying for youth allowance was the one reason I took the year off,’ Ms Wannon said. ‘Now there is really no point in having done that.’ She said losing youth allowance would affect her study option for next year and whether she could afford the move to Canberra.

We will do everything we can to try to put some sense into what is in effect retrospective legislation for people who have done as Laura did. They have planned their lives over the last 12 months based on what they wanted to do and now suddenly that is swept away from under them. I do not think an 18- or 19-year-old person should have to put up with a government changing the rules on them and totally altering their life and what they planned to do with it.
In addition, Labor has decided to abolish Commonwealth accommodation scholarships worth over $4,000 a year and replace them with a relocation allowance of $4,000 in the first year and $1,000 thereafter. I have more rural and remote students than most; they are fantastic people who are up against it from the start. If you live at Wilcannia, university seems an impossible dream when somebody takes away the props that have been put there over many years. They already have about one-third of the opportunity that others have; Labor’s plans will make this disadvantage far, far worse.

Another issue that has come out of the budget is cataracts and the way the budget measures affect people in an electorate such as mine. Somewhere in the region of 10 per cent of people in my electorate are of Aboriginal descent and live out in remote communities in New South Wales—perhaps not as remote as the north of South Australia, Queensland or the Northern Territory but very remote for us. Some of the communities are 1,000 kilometres from the nearest place, such as Orange, where you can seriously get cataracts treated.

Already 70 per cent of cataract operations are done outside of the Medicare system, in private practice; 30 per cent are done under Medicare. There are only five eye specialists operating west of the Blue Mountains in New South Wales. They cannot work for nothing. What will happen with the halving of the Medicare rebate for cataract surgery is that they will not be able to do the 30 per cent, which they are able to do now because people are able to afford it with the rebate. They will not be able to do those operations out there in western New South Wales. It is going to have an enormous effect out in Bourke, Brewarrina, Cobar and places like that, particularly in Aboriginal communities. I cannot see that continuing.

We have been talking to the surgeons who do these operations. They wonder whether this is an attack on them or an attack on the people of western New South Wales. The man who invented this procedure is buried at Bourke. The man who is known around the world for inventing the procedure for people in Africa—he has been all around the world—is buried at Bourke, in my electorate. There is nobody more aware than the people in western New South Wales that they had an opportunity to have their eyesight fixed. I think the result of this cut to the Medicare rebate will devastate everybody. We have a lot of people who have cataract problems, not just in my electorate but in the whole of western New South Wales—the whole of regional Australia, if it comes to that.

I would like to finish by saying that we have a responsibility in this place not just to today but to future generations. We stand in parliament now and hear the figure of $315 billion being tossed around as though it were not a big deal. It is an enormous deal. We and our constituents are going to pay for that to a level of $14½ thousand per man, woman and child—without interest.

Mr BIDGOOD (Dawson) (6.32 pm)—I rise to speak in favour of the bills before us: the Appropriation Bill (No. 1) 2009-2010 and the Appropriation Bill (No. 2) 2009-2010. The member for Calare asked: ‘What do you get for the money?’ He needs to remember that we are $210 billion short in revenue income. Even the member for North Sydney has said that, if they were in charge, their budget would be just $25 billion less. This is the worst global financial crisis in 75 years. Those on the other side were in government with massive surpluses from the minerals boom. And what did they do for infrastructure? They did nothing—absolutely nothing. We, the Rudd Labor government, are putting people to work in jobs, building the infrastructure for tomorrow. We are nation building, because that is what they did.
not do. We are having to fix up 11 years of appalling neglect for the core, basic long-term infrastructure of this nation. That will create greater productivity in all of our exports through rail, road and ports. That is what these bills seek to address.

The member for Calare asks: ‘What did the budget do for regional communities?’ I will tell you what it did for regional communities. There has been massive investment through Building the Education Revolution. Every single school across the nation, whether they are in the cities, in the regions or in remote rural areas—wherever there is a school there is a benefit to that community. That is what you get for your money. That is what you get when you get clear, decisive leadership with a vision to build this nation; to build the infrastructure for tomorrow which will last up to 50 years into the future, looking after the nation and its productivity, looking after the educational needs of our students; to build the intellect of this nation; and to build up in our young people, our students, the sciences, the languages, the physical activities that they need. We are building a smarter and more intellectual nation because we truly do believe in educating our students. We do not give it lip-service. We make real promises backed with real dollars, real investment. That is why I am speaking in favour of these appropriation bills tonight.

With a total of $75.7 million delivered to my seat of Dawson, I can truly say that the Rudd Labor government is delivering for the people of Dawson. The Rudd Labor government is delivering where the opposition over there, when they were in government for 11 years, delivered nothing. They delivered nothing like this. This is a real commitment to the roads: $150 million on the Bruce Highway committed; $95 million to the Townsville Port Access Road in southern Townsville in my electorate; the Flinders Highway connection to the Bruce Highway, $110 million; $345 million invested, promised, in the first year. That is delivering for Dawson.

I happen to have obtained a graph showing the figures for 2006-07 and 2007-08, the last Howard government years. It shows the Howard government investment in infrastructure as just being, on average, $3 billion. This is the Labor projection. I present the graph and seek leave to incorporate it in Hansard.

Leave granted.

The graph read as follows—
Mr BIDGOOD—Thank you very much. It shows clearly that the Rudd Labor government is committed to double what the previous government put into the infrastructure of this nation. I am proud to stand here tonight and to back these appropriation bills, to invest in the people of Dawson in Mackay, Proserpine, the Whitsundays, Bowen, Burdekin, Ayr, Stuart in southern Townsville and Oonoonba. All these communities deserve a government that supports them and a government that is prepared to invest in them. The Rudd Labor government has also delivered $1.3 million for the Harrup Park Country Club in the 2009-10 financial year to contribute towards improved facilities for both spectators and players, including a new building with international standard changing rooms, media facilities, administration offices and improved amenities. This is fantastic for sports tourism in the region and it really is the icing on the cake, because it is not just sports but sporting tourism, which is a very big earner in the city of Mackay.

This goes hand in hand with the $8.8 million funding to construct the Mackay rugby league stadium in the last budget. So now we have a sporting hub which is being invested in by this government. They promised for two previous elections to build the rugby league stadium, but what did they deliver? Nothing. We, the Rudd Labor government, have delivered. People in our communities are beginning to see firsthand that under a Rudd Labor government important community infrastructure is being funded and delivered in their communities.

Included in the budget is a total of six nation-building program projects worth $62.7 million just for the seat of Dawson. These are including two new projects: $30 million for maintenance work on the Bruce Highway between Sarina and Cairns in 2009-10 and also $10 million for safety enhancement works in known accident zones, also between Sarina and Cairns in the 2009-10 year. These two projects alone will total $40 million in 2009-10 and a total, by 2014, of $255 million. This is truly delivering for the people of Dawson when it comes to the Bruce Highway.

The budget also includes the continuation of the strategic corridor program in Townsville. As I mentioned, the port access road worth $95 million, the Burdekin bridge maintenance and
rehabilitation worth $50 million and the Bruce Highway total, all up, $150 million, which also includes the southern approach to Mackay making up all the remainder. They are valuable projects, all funded and all delivered by the Rudd Labor government.

In the seat of Dawson, we also received funding for five Roads to Recovery projects worth over $2.63 million, including $1,438,473 for Mackay Regional Council, $738,955 for Whitsunday Regional Council and $457,561 for the Burdekin Shire Council. We have funding for three projects under the Black Spot Program worth $152,000, one at Alligator Creek on the Bruce Highway which is worth $100,000, one in the town of Ayr, at Ivory Road, worth $40,000, and one in the town of Seaforth, where the Cape Hillsborough Road gets $12,000. But let us not forget the funding in this budget for boom gates at rail crossings, including at Marajup-Yakapari Road in Mackay, Gorman Street in Mackay and Drysdale Street in Ayr.

What is also exciting, and great news, is the increased health funding in the budget for my electorate, with Farleigh, Mackay, Nindaroo and Walkerston now eligible for rural incentive grant payments for the very first time. There is additional federal funding for the Mackay Division of General Practice to deliver primary health care to the Mackay community. The Mackay Division of General Practice’s case for funding was heard loud and clear at the Community Cabinet meeting in Mackay, which took place in June 2008—grassroots democracy getting grassroots outcomes delivered by the Rudd Labor government, which actually listens to people on the ground. The Mackay Division of General Practice media release informs us that they received a total of $552,666 in this 2009-10 budget, an increase of 18 per cent. The CEO, Mr Christian Grieves, says:

For the first time, GPs relocating to Mackay from one of Australia’s capital cities will be rewarded by a grant of up to $15,000. This should make it much more attractive for family doctors to move to Mackay. The budget initiatives, which include the new general practice rural incentives program, will mean that GPs relocating to Sarina, Proserpine, Moranbah, Airlie Beach and Mirani will be eligible for a relocation grant of $30,000.

He then goes on to say:

This is really great news for the people of Mackay. Local medical centres will find it easier to attract GPs to work in Mackay. Until now, only doctors working outside of Mackay were eligible for retention payments. So, when it comes to recruiting locum GPs for the Mackay division in the medical centres, we have been finding it difficult to meet the financial expectations of doctors looking to move to region. The cost of moving to Mackay from another country to work as a GP has increased substantially over the last two years. The division now believes these financial incentives will make Mackay a more attractive place for overseas doctors to work.

The Rudd Labor government is delivering when it comes to rural health needs. This is good news for the people of Dawson.

Also, very importantly, there are 16,277 pensioners in the electorate that will benefit from the government’s pension reform program, providing an additional $32 for single pensioners on the full rate of pension and $10.14 a week for pensioner couples combined on the full rate of pension. This budget is good news for the people of Dawson. The Rudd Labor government is delivering for Dawson, and I commend this bill to the House.

Mrs MARKUS (Greenway) (6.44 pm)—I rise to respond to the budget bills and to talk about their outcomes for Australia’s veteran communities, as well as for the communities in my own electorate of Greenway. I will start by focusing on veterans and how they have fared
in the budget. Veterans have every right to feel let down by the budget: they have made little gain by it. The budget reflects the reckless spending of the Rudd Labor government and the disastrous state of the nation’s finances, which have resulted in few new announcements for veterans.

This budget also reflects the government’s disregard for the indirect impact on veterans from the proposed changes to private health insurance, the Medicare safety net, pathology and diagnostic services and from some cuts to Medicare fees to doctors. These are matters that affect the whole community. When the total impact of changes to health, the disincentives in aged care, the erosion of entitlements such as the Partner Service Pension and the bonus payments that exclude some veterans are added to the few new announcements for veterans, the overall result is that the Rudd Labor government is not giving those in the veteran community the priority they deserve and are entitled to.

Prior to the 2007 election, the Rudd Labor government raised expectations within the veteran community. Since that time, the Rudd Labor government embarked on a reckless spending spree. The expectation that outstanding issues will be addressed is highly unlikely and will remain so for a very long time. That is disappointing. Since the election, the Rudd Labor government not only spent the surplus left by the coalition but also increased Commonwealth spending by $124 billion. That is an average of $225 million of new spending every day. The budget reveals the high price all Australians will pay for Labor’s reckless spending spree over the past 18 months: one million unemployed by 2010-11; a record $58 billion deficit; and a record net debt of at least $188 billion by 2012-13. It will cost every man, woman and child $9,000 each to pay back the debt. From November 2007, two-thirds of the debt that will be owed by taxpayers in 2012-13 will be due to new spending decisions taken by the Rudd government over the past 18 months.

During the election campaign, the Rudd Labor government made a lot of promises to the veteran community, but let us look at what the budget has delivered or has not delivered for veterans, war widows, the ex-service community and their families. Key issues of concern such as military superannuation were ignored in the budget, but two reviews were announced: the review into the cost to veterans of pharmaceuticals due to war caused conditions, and the review into the operation of the Military Rehabilitation and Compensation Act 2004. Both have a time frame of two years, so it will be at least 2011 before any benefits can flow from those reviews.

There are two other reviews that veterans and others in the ex-service community are aware of and are awaiting decisions on: the review into military superannuation and the review into the outstanding recommendations of the Clarke review. Both have been undertaken and submissions have closed but no decisions have been forthcoming. When can the veteran community expect a response?

The coalition is holding the government to account for their reckless spending, but the Rudd Labor government statement that spending will be held to two per cent from 2011 is unbelievable. How will the Labor government be able to deliver that? Australia’s veterans have been let down very badly by the reckless spending decisions and poor economic management of the Rudd Labor government.

There have been only two major spending announcements: $9.5 million in response to the report into suicide in the veteran community, and $10 million to establish the Anzac Trail on
the Western Front in Europe. I am particularly concerned about the $9.5 million in response to Professor Dunt’s study into suicide in the ex-service community. This is a very important issue and it needs an appropriate response. It is becoming very critical at this time.

As many people know, before entering parliament I was a social worker in Western Sydney for 25 years. I worked with many veterans and their families and other families in the community who were experiencing mental health issues. From my experience, I have to question how far a bit over $2 million every year will go to addressing the serious mental health issues facing the veteran community. Even the $83 million over four years allocated to the recommendations from the Dunt report into mental health issues in the Defence Force has little to offer veterans. Australia’s veterans have been let down again.

The one other big budget item is the allocation of $10 million over four years to establish the Anzac Trail on the Western Front in Europe. I note that, closer to home, $7.7 million is being stripped from the Australian War Memorial. Apart from the response to the Dunt report into suicide in the veteran community and the Anzac Trail in Western Europe, there are only four other new initiatives. Three are basically housekeeping: improving payment arrangements for veterans residing overseas, expanding eligibility for the Defence service home insurance scheme and centralising access to the current assessment process for home front rehabilitation appliances and veterans’ home care programs. The fourth is the closure of a dependent disability pension, which seeks to round off very old payments where no new grants have been issued since 1985.

While the above savings amount to around $6 million, the real question is: why have these been put forward as key initiatives when issues of concern to veterans remain outstanding? These issues include military superannuation, the Defence Force Retirement and Death Benefit Fund and the level of litigation, with the department fighting veterans over entitlements or compensation. There is carryover funding from last year’s budget, but nothing new to address the need for more resources and training in entitlements and services for ex-service organisations so that they can be more effective in helping the wider veteran community. There were significant staff cuts to the Department of Veterans’ Affairs last year and another 91 this year, which will impact on services. This was raised with me a number of times by individual veterans and ex-service organisations.

Perhaps the reason that these issues were not addressed is because the Prime Minister and his spin addicted government are probably too busy working out how to explain to the Australian people the size of the debt and deficit—the largest since World War II. Or perhaps he is trying to work out what his response will be when working families are told that it will cost them $9,000 each—every man, woman and child—to pay back a debt that they did not create but a debt that this government wilfully and recklessly racked up.

The challenge, with Australia’s budget now in serious deficit, is how veterans issues will be resolved. To understand the impact on veterans, we have to look beyond the immediate announcements and line items for veterans and look at the bigger picture. The proposed changes to private health insurance will reduce the rebate for higher income earners, which will indirectly result in higher premiums for all Australians. The government is breaking its election promise that it would not make changes to the private health insurance rebate.

Throughout the budget papers, the Rudd Labor government continually talk about early and decisive action. They continually link Australia’s debt to the rest of the world. This is stra-
tegic spin, designed to downplay the seriousness of the debt and deficit. Australian may experience a milder downturn compared to the problems in Europe, the US and other parts of the world—and I hope that that is the case. But Labor gloss over the fact that Australia’s debt is the biggest ever faced in the history of this nation. The only swift and decisive action that the Rudd government has taken is to spend the surplus within a year and to plunge this country into world record debt and deficit. This was certainly swift. As for decisive action, Mr Rudd and his Labor government decided to spend recklessly and to take this country into the worst debt and deficit in this nation’s history. The Prime Minister cannot deny that two-thirds of the debt that will have to be paid back by taxpayers will be due to spending decisions taken by his government over the past 18 months. The Australian people and the coalition have a very different view of what is swift and decisive.

In my electorate of Greenway, there will be many people and organisations affected by this budget: small businesses, wage and salary earners, schools, pensioners and self-funded retirees. This budget will have an impact on them all. In 2007, there were 5,081 businesses in the electorate of Greenway, the majority being small businesses employing 20 people or fewer. Business, especially small business, will bear the biggest burden due to Labor’s debt and deficits, such as through the increase in fees and charges by the Australian Securities and Investments Commission. The small business tax break will not help businesses struggling with falling sales and tighter cash flows. The $10 million small business online initiative is only funded for two years. Small businesses are Australia’s biggest employers and we should be doing everything to ensure their viability. Only the coalition has a plan for recovery that recognises that private enterprise and small business must be supported as the drivers of economic growth.

In Greenway in 2008 there were 47 primary schools, 14 secondary schools and one special school. There are also a number of TAFE facilities and the University of Western Sydney has a couple of campuses. What has the budget given to those schools and to education in Greenway? The education revolution has been a failure. Forget the spin and look at what Labor does and not what it says. Look at the massive cost blowout for computers in schools and the debacle of computers but no electronic infrastructure. Look at the mismanagement of the school hall program and the instances where schools are told what to build even though those schools want to build something else. Their priorities are different. The disconnect between what is being forced upon the school communities and what the school communities see as their priority is becoming very apparent. In the budget there is nothing for Australian schools.

In higher education the rules have changed from a threshold of 15 working hours per week to 30 working hours per week plus a combined parental income of less than $43,000 before students are eligible. Not content with changing the goalposts for the more than 1,700 students aged 17 to 22 years in higher education, the Rudd Labor government has turned on universities. One of the greatest initiatives introduced by the coalition was the establishment of the Higher Education Endowment Fund to provide an ongoing revenue source to pay for university infrastructure into the 21st century. In the 2007-08 budget the Rudd Labor government renamed it the Education Investment Fund and expanded it to include vocational education and training institutions. He then boosted it by $2.5 billion taken from the Howard surplus to create a fund of $6.2 billion. This year, one year later, the Rudd Labor government has raided

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the Education Investment Fund for a range of unrelated projects including $400 million towards solar energy and carbon capture energy projects. The question is: is anything safe?

In addition there is no 10 per cent increase in funding to make up for the shortfall created last year when the government abolished all full-fee places for Australian students, a private revenue stream for universities that had been providing universities with economic security into the future. Rather than improving Australia’s education and training institutions, Labor is only interested in using them to disguise unemployment figures, because they do not have any idea how to create new jobs. In fact Labor has abolished the Australian technical colleges which set up real partnerships between schools and businesses.

If the Rudd Labor government is not raiding the piggybank, it is hurting people who are working hard, are saving, and are prepared to sacrifice to build a superannuation nest egg for their retirement. Cutting money out of superannuation is the height of intergenerational irresponsibility. Given our ageing population and the burden of paying the Rudd Labor government’s debt and deficit by the next generation, it is irresponsible to cut money out of super. Salary sacrificing is one of the most effective ways of saving for the future, but the prospect of the huge debt burden of paying back for the Rudd Labor government’s reckless spending will diminish the ability of people to adequately save for their retirement. No Australian has been spared the regressive attack on super. Low- and medium-income earners have been particularly affected through the slashing by a third of the co-contribution scheme.

There are other people affected by the Rudd Labor government’s reckless spending, but they are affected in other ways. People waiting for aged-care accommodation; people who have private health insurance, as I have already mentioned; and people who play sport are all affected. In Greenway there are approximately 8,384 age pensioners not counting over a thousand veterans receiving treatment of some kind. I can only hope that none of these 8,384 age pensioners or the close to 1,000 veterans need to enter aged care, though I am afraid to say that most of them will.

There is an accommodation crisis in aged care. The Rudd Labor government has cut the indexation of the conditional adjustment payment subsidy which now makes it harder for aged care providers, and will contribute to their finding it more difficult, to close the wages gap for their staff. If aged care is unviable, no new providers will enter the industry and no new facilities will be built. It is as simple as that. I have three aged care facilities in Greenway but as the population ages there is a need for more. With our ageing population, the Rudd Labor government has no answers and no plans to address the crisis in aged care accommodation.

Finally, I would like to talk about roads. Feeder roads, arterial roads, links to major freeways, suburban backstreets in neighbourhood suburbs and local roads like Richmond Road and Boundary Road and half-a-dozen other roads in and around Greenway need urgent upgrading as a whole—not piecemeal—so that tragic accidents can be minimised. This is urgent work and is now unlikely to take place. Labor has chosen to move billions of dollars of funding away from local roads. The Rudd Labor government’s decision to re-brand area consultative committees as Regional Development Australia means the local voice on local road infrastructure will be absorbed or amalgamated into state responsibilities, meaning the federal government will no longer have a direct responsibility for regional development. With no specific local roads funding and with the New South Wales state Labor government’s disastrous
economic management, there appears little joy for local roads or users in the foreseeable future.

There are major issues facing this nation. The challenge is how to address those issues under the huge debt and deficit burden caused by the reckless spending and poor economic management of the Rudd Labor government. The Australian people have every right to feel betrayed by a big spending, reckless government which was left an outstanding economic legacy courtesy of the coalition. It is distressing indeed to see that in such a short time the surplus has been spent, the future funds have been raided and Labor have racked up a debt and deficit that will take generations to repay.

Ms REA (Bonner) (7.02 pm)—I rise this evening to speak in support of Appropriation Bill (No. 1) 2009-2010 and Appropriation Bill (No. 2) 2009-2010 and indeed to commend the Prime Minister, the Treasurer and all of those involved in preparing this very significant budget for 2009-10. It is interesting that many opposition members in their speeches have claimed that this is a big spending government and that the government is being reckless. Yet all we hear in every single speech is a long list of those things on which they would want the government to spend more and very little by way of telling us where they would get the saving and the cuts to achieve that.

I know this is mentioned every single day in the House and outside but we do have to understand the context in which this budget was drafted and delivered. It is something that the Australian community understands but, unfortunately, the opposition clearly do not understand, and that is the significant context in which this budget was drafted. They simply do not understand that we are in the middle of a global recession. We are in the middle of the worst global financial crisis in 75 years. It may sound like a mantra but we are hearing that statement over and over because it is a fact. It is a statement of truth. You only need to look at the economic indicators across the world, you only need to listen to economic experts and you only need to look at the facts and figures. Everything will tell you that we are in a serious global recession. We are in the worst financial crisis in 75 years.

In that context a budget must be drafted that not only provides the necessary goods and services that the Australian community expects from the Commonwealth government, that not only delivers stimulus and support for the economy, particularly in the area of employment to protect and support jobs, but also provides a path out of economic downturn and sets this nation, builds this nation, to be prepared for the recovery to come.

In that context, on the one hand the government must support the economy and provide nation-building projects which will keep people in employment and provide the infrastructure that our community needs; on the other hand the government has had to deal with a drop of $210 billion in revenues for this year—the health budget for four years. That is a significant drop in revenue; indeed the most significant single contribution to the deficit presented by the Treasurer in this budget.

In that context I do not think anyone across the Australian community would diminish the challenge that was faced by the Treasurer and the government in drafting this budget. It is important therefore to acknowledge that in that context it was necessary to go into a reasonable level of debt in order to support our economy, employment and significant nation building projects. I believe the Australian community understands that, rather than see us fall prey to the significant impact of the global financial crisis, rather than see the Australian economy
dwindle even further into recession, the government must play an active role in providing the stimulus to the economy that will buffer us against the bad times and set us in a good position to deal with the good times. For that reason, I accept that there does need to be a responsible level of debt, which there is in this particular budget. We are talking about the lowest level of debt of any of the major Western economies. We are talking about a level of debt in this financial year of 4.9 per cent of GDP. When you compare that to the United States where we see a level of debt of 61.1 per cent of GDP, I think everybody would acknowledge that this is a responsible level of debt that we can manage, but an important part of providing the very much needed funding for our services and projects.

The budget also acknowledges that it does mean we are in a temporary deficit. When you see the level of economic difficulty being confronted by major economies across the world—Japan, the United Kingdom, the United States or others—it is appreciated that it was inevitable that we would go into deficit in these very difficult times. What is significant about this budget is that the government has provided a path to recovery and one which I endorse.

I cannot present these points enough; I cannot get this message across enough; you will hear from many government speakers this same message. The reason is that it is still falling on deaf ears. The opposition can speak in the parliament for an hour on a matter of public importance to do with the economy and not once mention the global recession. Indeed, only this morning I was asked by a journalist to comment on a quote by a member of the opposition, a Liberal MP, a backbencher, who said, ‘This is the recession we don’t have to have.’ When you are dealing with that level of denial, when you are dealing with that level of blinkered vision in such significant economic times, it is no wonder that they cannot actually come up with an alternative plan and that they cannot support what the government is trying to do. They simply do not understand.

What they do not understand is that it is actually in times like these that governments must step to the fore, must take an active role in both the economy and the community and must lead if we are to recover from these very difficult times. It is a time when the government must make some tough decisions and there are tough decisions in this budget. When you take something away from someone then it is a tough decision. We all know that.

At the same time, I believe that the tough decisions that have been made in this budget have been made in a fair manner, in a way that still supports those who are most vulnerable and indeed most in need. But it acknowledges that there are people who can afford to pay their way a bit more and who should and would appreciate that, in these tough times, we all have to take a little bit of the pain.

Nevertheless, what I am so proud of is that in this budget there are some significant reforms. The government has delivered on some very vital commitments to people in our community who, unfortunately, have been ignored in the past. We go no further than the pension reforms contained in this budget—an increase in the base rate of the pension, one that we have not seen for many decades in this country. The 16,204 pensioners in Bonner will, I know, be most appreciative not just of the increase in their income but that it comes as a permanent increase to the base rate so that they are not continually waiting, from budget to budget, from year to year, to find out whether they get the crumbs of a bonus out of a budget. They can be much more secure in their income.
As a woman and a mother, to me one of the most significant elements of this budget is the Treasurer’s commitment to introduce paid parental leave in 2011. We all know that many women work because they need to. We also know that it is the right of every woman to have the choice to have a career or not. It should not be to the detriment of her life or the life of her family. She should not have to make a choice between a mortgage and child care or children and a career. It should be a fundamental right, and it is one that many women aspire to. The fact that this government has finally acknowledged that it has a role to play in supporting women in the workforce and also supporting families when a newborn child comes along is a significant advancement. As a woman who has argued strongly all my life for better rights for women, for equality for women, I am so proud to be part of the government that has finally introduced this into the parliament.

I am also very proud that, although these are difficult economic times and the government acknowledges that it must introduce and support projects in the community that will provide employment and support various communities, it does not just do that willy-nilly. It does that in a way that will be sustainable in the future, and as a result we have initiatives around clean energy and support for insulation, for example. It is not just, once again, an acknowledgement that these are emerging industries and sectors of our economy; it is government support so that these sectors will flourish and develop into whole new areas of employment and enterprise. They are the industries of the future that will protect our environment, and our planet and community will be much healthier and secure because we put the support, when it was needed, into promoting alternative energy sources and supporting a reduction in our emissions and our dependence on coal-fired power.

The significance of the reforms of this budget, as I said earlier, is that we are a government that takes on the responsibility and the challenges of difficult times and says, ‘What can we do that will not only get us through these difficult times but also see us become a much more prosperous and much more sustainable, and therefore a much more progressive, community in the future?’ By investing in social housing, by supporting paid parental leave, by supporting pensioners, by investing in clean energy initiatives—these are the things that we have said government can be active on—we can play a role. And guess what? As a result of that, we can actually create a better community not just for ourselves but for the future. The further significance of this budget is that these projects, these initiatives, are being rolled out across the country.

Certainly in the electorate of Bonner there are a number of very important and vital educational, community and environmental projects that are being supported. Indeed, as a result of the government’s investment in stimulating the economy and supporting nation-building projects, there are 478 projects totalling $31,571,013 in commitments to infrastructure in Bonner. Those figures defy belief. They demonstrate that in just one electorate alone the government saw the need to support so many different projects. There is $25,825,013 to support 45 schools across the electorate of Bonner, both public and private. I am particularly pleased to point out a couple of these projects.

The Hemmant State School is a very small school. It has around 60 students. It is set in a semirural area right smack bang in the industrial part of the Australian trade coast port of Brisbane—a beautiful school. It has major significance in Queensland because it is the oldest continuously operating state school in the state. So it is one that has a long and proud heritage.
The $75,000 in the budget that will extend the tuckshop does not seem much, but when you are looking at such a small school community, with a P&C struggling to raise funds, you appreciate just how significant that is. Two hundred thousand dollars is going to Holland Park State School to extend the instrumental music area and the art area. Manly State School is getting a multipurpose hall worth $3 million. They are just a few of the many projects that are going into our school community. The Gumdale school hall is receiving $1½ million to provide not just a state-of-the-art, very modern facility for the Gumdale State School students but a community facility, one that does not exist in what is a very new and developing suburb, and a facility that is much needed.

The importance of supporting our educational facilities goes without saying. These projects will make such a difference and are so important to the people of Bonner and, indeed, to all of us here on the government side. ‘The biggest school modernisation program in history’: it is not just a phrase but a reality because the numbers are quite clearly here in the budget.

But of course it does not stop there. There is $750,000 in black spot funding to the Wynnum North roundabout on Wynnum North Road and Wynnum Road, a roundabout that is close to a busy high school, a roundabout that sees a lot of traffic going through it every day. We all know that, where you have schoolchildren and a lot of traffic, road safety has to be your highest priority. I am very pleased that the government has put $750,000, three-quarters of a million dollars, into making this roundabout safer for the Wynnum North State High School children and indeed the residents of that area.

Of course, we do not just stop at roads and schools. We also acknowledge how important community infrastructure is. We are putting into the Manly Pool, a pool that has been down on the bay side, on the foreshore, for many years—a long time ago I even swam there as a child—$500,000 for a much-needed upgrade, very much overdue. That will combine with council funding to see that pool receiving $1.3 million for an upgrade for the residents of that area. The foreshore of Manly and Wynnum is a part of Brisbane that is enjoyed by many residents. I know that that upgrade will be greatly appreciated.

It therefore stuns me when I hear the contributions made by the opposition in this budget debate. When you look at these sorts of projects, the myriad safety measures and community infrastructure, that are being funded by this budget, it just astounds me that we have an opposition that is not prepared to support these very important projects but at the same time is putting on the table a whole range of other initiatives that it believes money should be spent on but then is running a public campaign to attack the government about debt and deficit. It just is not the luxury of opposition in times like this to throw it all out there and pretend that you are not taking responsibility. We need support. We need action. We actually need some leadership from the parliament to get us through these tough times and to acknowledge that our community needs this infrastructure.

I mentioned social housing earlier. Once again, the government is responding to a decline in the construction industry by not just creating jobs for jobs’ sake but creating jobs that will build homes for families and others in our community who are the most vulnerable. In fact, in Mount Gravatt East in the electorate of Bonner, the Queensland government is kicking off investment in social housing. It is funding that in partnership with the federal government. I was very pleased to be on the construction site to see one fairly well-used house sitting on a very large block being replaced by six brand-new units that will house six families. One of the
units is fitted for disability. This is not just about investing in construction; this is about building and reinvigorating our community and supporting those people who are the most vulnerable.

The government has acknowledged the need to borrow but also created a plan to pay that back and bring the economy back. After all of the initiatives in this budget, we have simply heard one measure from the opposition, and that is to take more money out of the budget by not supporting the proposed means testing for the private health insurance rebate. Of all the initiatives, the opposition feels that it is important to support the wealthiest in our community to continue to be subsidised by the taxpayer to take out private health insurance. But they are not supporting the tuckshop extensions for 45 schools. (Time expired)

Mr WINDSOR (New England) (7.22 pm)—I have been listening to some of the contributions on the budget and I think that we are seeing the next election campaign written before our eyes. There does not seem to be a lot of agreement in terms of some of the initiatives that the government has put in place. One thing that I am pleased to see that there is agreement on—and many members would be aware of this—is a program called Youth Insearch, which has been supported by the government, the Leader of the Opposition and many of the opposition members. I would like to take this opportunity to encourage the government in this. There was a meeting held only last week with senior people in the Prime Minister’s office to look at assisting Youth Insearch. With the crisis in relation to the charity dollar, most people are well aware that a lot of the charities that were operating on corporate funds and donations are finding it a bit tough. There is a real need for government to provide during this gap that has been created.

I have been a great fan of Youth Insearch. It is probably the most successful intervention program for young people who are finding it very difficult—young people who have been abused physically and sexually and who have come from all sorts of very sad circumstances. As a magistrate who is a great supporter of Youth Insearch—he is a deputy coroner in New South Wales at the moment—said to me one day, ‘Tony, these are the people that I lock up next time.’ Youth Insearch has an 80 per cent success rate in relation to those young people and in the main has operated without any government assistance. But there is some need now for all of us to make sure that a program like that, which is essentially run on a volunteer basis, is maintained.

There are a number of issues that I would like to raise, but I will go to a positive side of the nation-building debate, at least to start with. I congratulate the government for its funding of what is known as the Murrurundi Tunnel—a rail reconstruction through the Liverpool Range. Anybody who knows the Newcastle-Moore railway line would be well aware of the mountain range between Murrurundi and Willow Tree and the problems that have been incurred for nearly a century in getting trains over those mountains. With the development of the coal industry and wheat industry on the northern side of those mountains, there has been an extra freight component because of the additional cost of getting those trains over that mountain range. For many years, there has been a call for a major reconstruction of that section of the railway. In the budget, $290 million will go towards its reconstruction and another $290 million will go to associated work, particularly between Gunnedah and Newcastle. In conjunction with some of the work that is being done at the Newcastle port, those things will be very significant for nation building.
Just to put that in perspective, a few years ago Ernst & Young did a feasibility study for the previous government of an inland rail link between Melbourne and Brisbane. The two-volume report identified all the freight in Victoria, New South Wales and southern Queensland that was going anywhere so as to ascertain the potential market for developing an inland rail concept and its economic feasibility. A good friend of mine, Everald Compton, has been involved in that for many years. He is a great Australian. The number arrived at for all the freight in Victoria, New South Wales and southern Queensland that could come into that link was 220 million tonnes, and 110 million tonnes of it—half of it; 50 per cent—was actually moving between Moree and Newcastle. There are two transport bottlenecks in Newcastle; however, a third coal loader is being built there now. The Hunter Valley has some problems in relation to rail, and $290 million in the budget is going towards that and another $290 million is going towards fixing the problem at the Liverpool Range.

Essentially, the eastern part of Australia, other than north of Gladstone, is in that corridor. To put it into perspective, as much as I would love to see an inland rail link, the current freight component on that link is 4½ million tonnes. By 2029 it will have doubled; it will go out to nine million tonnes. If you are looking at priorities, the government has picked the right one by addressing the Newcastle to Moree railway line. A massive freight component is in that sector at the moment. That is not to argue against an inland rail concept; but, if we are talking about investment in critical infrastructure, which we should be, it is important to invest in those areas where there is a return to the nation. There is no doubt that that corridor is very important to the nation, and with the development of coal mines and agriculture north of Murrurundi Range it will become more and more significant.

The other significant budgetary item in terms of the north-west and New England is the promise of the extension to the F3 freeway, which will join the goat track between the New England Highway and the main expressway between Newcastle and Sydney. I am told that that will cut out up to half an hour in travel for people going from Tamworth to Sydney. That will have a significant road freight impact as well.

That is a $1½ billion project. It is not in my electorate but it is important to my electorate. It has been promised a number of times before. Hopefully this time it will be built, because it is very significant not only in terms of freight and passenger movement but also in terms of safety. The shortcut through Branxton down to the expressway was quite a dangerous road and this will help a lot.

The government has invested a lot in school infrastructure. We are hearing about that daily in the parliament. I will not bore everybody with that now, but it is very significant in the country. I think there is real equity in the distribution of those funds. Country schools are getting the same as city schools; in fact, if anything, there is probably a slight leaning towards country schools in some of the funding arrangements.

There are a couple of things I would take issue with. The alcopops tax has been before the parliament. It is in the budget papers, it will be debated and it will pass or fail. I will be voting against it. I thought it was a stunt at the time and I still think it is a stunt. I see no particular reason to have changed my mind. I am not a supporter of alcopops; I never have been. I highlight what the previous government did about the sniffing of petrol in Central Australia. It was an identified problem, a health problem. We are being told that alcopops present a health problem and that we should do something about it and there is pressure being put on the op-
position to do something about it. In addressing the sniffing problem we did not put the tax up. We did not put the tax up on fuel to try to drive the users out. We did not try to use a market mechanism to drive them out and in doing so accumulate more budgetary funds. We banned it. If we are serious about alcopops we should ban them, not use this mechanism. If you remember back to when this stunt was first pulled, there were a number of issues that were quite embarrassing for the government and they needed to create a trail-off to the left. Alcopops have become that particular issue. With no apologies, I will be voting against that measure.

I think the investment allowance—the Prime Minister mentioned it today—has been a great initiative in this budget. In the agricultural sector, particularly in those areas where the drought has eased or broken, there is incredible interest in using the investment allowance to re-equip some of the machinery. Presuming the 50 per cent investment allowance gets through, it will be a significant boost or stimulus—whatever you want to call it—to agriculture and other small business sectors. I am a bit surprised: if this had been done by a conservative government there would have been bells and whistles and flags hanging from the trees suggesting what a great thing it was. I think it is a positive in stimulating business activity and investment and in assisting investment in critical pieces of infrastructure in the business sector.

There is one criticism I do have in relation to the investment allowance. We heard recently that Sir Rod Eddington, who is heading up Infrastructure Australia, suggested, as I understand it—I do not mean to verbal him—that there was going to be a significant shortfall in major infrastructure that could be funded through the government sector and that we needed partnerships with the private sector to drive some of these major projects. I could not agree more. One of the failings of the investment allowance arrangement is that unless the project can be installed by 30 June 2010 the investment allowance will not apply. What that is immediately cutting out are some very large projects that would obviously take longer than from now until 30 June 2010 to complete.

I have had private discussions with people in the Prime Minister’s office and the Treasury about this particular initiative and the government and others have been talking about employment being saved and investment stimulus and jobs, jobs, jobs. We have an example in the electorate of New England where a private sector operator is prepared to invest $120 million. No government money—$120 million—and it would employ when completed 500 people. If the investment allowance—and that was at the 30 per cent rate when these inquiries went on—was applied to that particular investment, that would have a massive short-term, medium-term and long-term economic value adding to agriculture in a very well-established business in several states in Australia.

I think that it is a great shame that the government has reduced the investment allowance essentially to equipment or relatively small-cost items that would have to be completed, if there was a construction phase, at least by June or July, whatever it is, 2010. Obviously Infrastructure Australia, Sir Rod Eddington and others were suggesting that government cannot do it all. In fact, the Prime Minister and Treasurer were saying that part of their logic—and I agree with it actually—for stepping in was because there was a drop-off in demand occurring and a drop-off in investment from the private sector so government had to move in and fill the gap. Here is a classic example where there is private sector participation. It does not need
government other than the extension of what the government has put in place by way of the investment allowance, and all of these benefits that I talked about could flow.

The youth allowance is in the budget—and it is something that I have spoken about in the other place—and I think that the government has got to reconsider some of the issues in there. There is some good stuff, but the gap year issue that most people would be aware of is one that should be addressed.

If they are looking for ways to pay that, I would ban the baby bonus and I would remove the first home owners scheme. I think that both of them send quite inappropriate messages in a number of directions, particularly the baby bonus. I think that it is probably one of the worst pieces of policy that I have ever seen. I think that we have spent something like $7 billion on the baby bonus so far, and as for the first home owners scheme, God knows what has been spent there. Particularly of late, it is only escalating the price of homes that young people are going to go into debt to purchase, so in that sense it is keeping the price of housing up. One of the issues that we have faced in this country is that we have had an artificial boom in real estate that was unsustainable long term. I think that there has to be a movement backwards in relation to some of those issues.

I was very pleased to see the pensioner issue addressed. The government needs a tick in relation to the $30 increase. As for broadband, it will be a wonderful thing if it occurs—and I hope it does—because it would put Australia right at the forefront. Broadband is the roads and railway lines of this century, and I do not think that we are going to even conceive the extent of its benefits, not only the personal benefits of high-speed broadband but the health and educational ones as well. Some of that real-time broadband could lead to enormous initiatives in terms of the medical profession and the health business in country Australia. I know that there has been some criticism of the government that 90 per cent of the population will get 100 megabytes, or whatever they call them, and some country towns will only get 12. But I take you back to the previous government’s arrangement where the maximum was going to be 12 megabytes and that was going to come from satellite. I am comfortable with that, because that technology will improve fairly rapidly anyway.

I know there has been some criticism of the government about the National Broadband Network, that 90 per cent of people will get 100 megabytes, or whatever they call them, and some country towns will only get 12. But I take you back to the previous government’s arrangement, where the maximum was only going to be 12. I am comfortable with that, because the 12 will come from satellite and that technology will improve fairly rapidly anyway. So I think we should encourage the government to roll out that particular piece of infrastructure and encourage the private sector to be involved as well. Who knows—now that the Mexican has gone, it might be within the realm of imagination that Telstra will come back as a major player in a national broadband network!

There is money in there for the Murray-Darling system. I think, now that the board of the Murray-Darling Basin Authority have been appointed, we really do have to have a close look at some of the activities that are occurring within the basin. I have significant issues with BHP and a Chinese company called Shenwa, who are currently exploring for coal on probably some of the most productive and magnificent alluvial floodplains in the world, those being the Liverpool Plains, which are at the base of the Liverpool Range that I talked about earlier. The Murray-Darling Basin Authority have a mandate, under their mandatory content rules, to look
at some of these issues, and I would encourage them to do that. The Commonwealth is involved in the mining business whether it likes it or not now; because of the Commonwealth agreement with the four states on the Murray-Darling Basin, and so it should be. But if it is serious about this, it has got to be a player and not just say, as Peter Garrett does from time to time, ‘It’s a state issue.’ It has moved beyond that now, and I think we have to have some serious science done in terms of the connectivity issues between groundwater and surface water, and particularly the impact that coal and other activities may well have not only on the land that is disturbed but also further downstream. There are a few other things I would have spoken about, but I will leave it at that and thank the Committee for their attention.

Ms VAMVAKINOU (Calwell) (7.42 pm)—I am pleased to speak this evening in support of Appropriation Bill (No. 1) 2009-2010 and related bills which support the 2009 Rudd Labor budget. This is a budget that is framed in difficult times, but it is a budget that is honest, constructive and aspirational in its intentions. It is big on investment but targeted and well crafted, and its intentions are very clear and specific.

I want this House to know that people in my electorate are very concerned about the current international economic outlook and the impact that it is having on the Australian economy. In conversations with them, they tell me that they fully understand the ramifications of inaction and failure to invest and stimulate the economy. My constituents, just like other Australians, understand that there are times—and the most severe global economic crisis in decades is certainly such a time—when we are going to have to borrow in order to protect our current economic capacity so that we can secure our nation’s future. That is what the Rudd Labor government has done and, indeed, that is what this budget seeks to continue to do. The people in my electorate understand that this budget is about supporting jobs now and delivering the investments needed to strengthen the economy for the future.

We all know that the global recession has wiped $210 billion from the budget, and this has been the biggest revenue drop since 1931. My constituents understand that the government has had to change some of its priorities because of this recession. They understand that our No. 1 priority is stimulating the economy to support jobs and businesses, otherwise the full burden of the recession will fall on the shoulders of ordinary Australians far more than it already has, and the people in my electorate are amongst the most vulnerable.

It is well-accepted fact by mostly everyone—unfortunately, except the opposition—that, if we do not take measures to stimulate the economy and support jobs, hundreds of thousands more jobs will be lost. For the people of Calwell, that means more job losses in an electorate that is already carrying a greater burden of job losses than anywhere else. This budget supports jobs and small businesses today by investing in the infrastructure we need for tomorrow. It is a nation-building budget focusing on major roads, rail and ports, on a national broadband network, on education, health and clean energy.

This budget is about building towards growth. While we all have rigorous debates up here about how much we should or should not spend or how we should proceed, there are certain facts that cannot be ignored. Fact 1: we must secure the job market. The livelihoods of Australian people depend on it. Fact 2: we have to rapidly develop our infrastructure and technology as a greater priority than before, not to allow them to stagnate, if we are serious about the future prosperity of this nation. We have to invest in our children’s education and give our kids
the best opportunities and resources to develop into the future builders of economic, social and cultural prosperity.

While it might be opportunistic for those opposite to condemn the level of the government’s investment, it is imperative to remember that this debate is not just about us. It is not just about this year or the next. It is about the future of this country. It is about the economic prosperity of the people I represent. It is about their jobs and it is about their family’s future. That is why this government has focused on education, building infrastructure and innovation as its key priorities.

Last year the committee that I chair, the House of Representatives Standing Committee on Industry, Science and Innovation—and I note the member for Grey, who is a very active member of that committee—conducted an inquiry into research training and research workforce issues in Australian universities. We received over 100 submissions and the report, titled *Building Australia’s research capacity*, which was tabled in the parliament in December 2008, made some 38 recommendations. The inquiry found that the challenges we face in boosting Australia’s research capacity are not simply confined to academia. The report also found that there was a broadly held view that many of the challenges we currently face in boosting our research capacity are in large part the result of years of neglect of research training in Australia, making the task of addressing the challenges all the more urgent.

The value of research and innovation in today’s knowledge economy cannot be overestimated. Our research reputation was once admired and respected around the world, but the previous government failed to invest in our research training, instead resting on its laurels while the international research landscape changed and developed, leaving Australia’s to fall behind. We were allowed to lag behind, and this government has had to move quickly to address this crisis. Our research and innovation capacity is key to our future economic prosperity. The 2009 budget is all about securing our future economic prosperity, and the government therefore—and indeed the Minister for Innovation, Industry, Science and Research, Senator Kim Carr, and the Minister for Education, Ms Julia Gillard—have quite correctly moved to inject massive funding into the education sector across the board, from pre-prep to primary to secondary and on to tertiary education and research.

The budget builds on the education revolution, which commenced immediately upon this government taking office. It will see a further $5.7 billion invested over four years, with one particular aim being to increase university places. Some 50,000 students will be able to enrol in a degree course by 2013, with an emphasis on making many more places available for students from disadvantaged backgrounds. This investment is about and for the young people in my electorate, and I welcome it with great hope and excitement. For too long, opportunities for young people in my electorate have been inadequate. They have become resigned to a culture and perception that, if you live and go to school in Broadie, you have little hope of getting to higher education.

Investment in achieving world-class higher education will see some $2.1 billion pumped into the higher education system. The government’s investment in education is based on well-documented evidence presented to it by the Cutler and Bradley reviews and further reaffirmed by the Standing Committee on Industry, Science and Innovation’s findings that we must invest in our education, research and innovation capacity. I am pleased, therefore, that the budget has responded to the thrust of the industry committee’s recommendations by allocating
some $703.1 million to Australian universities to improve teaching and learning facilities, to enhance research capacity, to provide better student income support and to increase the stipends for postgraduate students. Although the budget was not able to deliver on everything we wanted, it met the most significant and immediate needs. The universities and the postgraduate associations have welcomed this budget measure.

The government should be commended for heeding the calls of the education sector. We have done so in a very difficult period for our economy. But we have done so because we know that to shirk that responsibility now is to condemn generations of Australian children to lost opportunities. The opposition talks about condemning future generations to paying off debt. I reject that. This government is about securing the future of this country so that when greater stability and activity returns to the international economy Australia will be best prepared to move forward quickly.

The budget’s investment in our children’s future does not stop here. It continues with $155.3 million to help out-of-trade apprentices and apprentices who have lost their jobs complete their qualifications. It provides 3,650 additional places for 19- to 24-year-old job seekers in the Australian apprenticeship access program to assist them to enter as apprentices or undertake training. This budget aims to help Australians across the board in regard to education and training. We want to protect jobs, but we also want to skill and reskill Australians so that they can participate actively and confidently in the workplace and so that they can play a significant and integral part in our economic recovery.

To this end, I welcome the 10,000 training places for retrenched workers to be delivered through the Productivity Places Program. My electorate has had more than its fair share of job losses in the last 18 months, with the most recent being the Pacific Brands closure of its Coolaroo factory. My constituents’ livelihoods and futures depend on a budget that invests in its people. We should welcome this, not oppose or condemn it. We should show faith in our people by investing in their abilities, their potential and their welfare. I believe that we can be confident that such a vital investment will pay dividends in the shape of a healthy economy and a more just and creative society.

My electorate has many low-skilled and vulnerable people who are most likely to suffer during this period of economic difficulty. I am grateful that this government considers the welfare of these people a national priority. I am grateful that the budget allocated $28.2 million for 5,888 additional language, literacy and numeracy places for adults in order to improve their job prospects.

For years, elderly pensioners have literally begged for relief. For years, I and other members in this House, including opposition members, have received delegation after delegation of individual pensioners and action groups still fighting the good fight on behalf of others telling us that they were in desperate need of relief and assistance. The previous government was aware of their calls, but I am afraid that they ignored them repeatedly throughout their term, responding instead with one-off handouts. They did this even though pensioners were telling us that this was enough and that what they really needed was an increase in their pension, as this was the only way that they could begin to get on top of the burden of the cost of living. I have lost count of the many times that I was told by elderly Australians that they wanted to be given an increase in their pension so that they could manage and control their own budgets and plan ahead.
I admire this generation of Australians. They come from a different era. Most of them have worked hard. They have done their time, as they have repeatedly told me, paid their taxes and made their contribution. Their expectation of a respectable pension that allows them to meet their financial commitments and aspire to some sort of dignified comfort in their retirement is understandable. I agree with them. It is their right. While most of this generation was in the workforce, there was no opportunity for superannuation. The expectation was that the age pension would be their safety net in their retirement. This government has understood this. This has been a long time coming. It is the largest and most significant increase in the age pension seen. It is an increase of $32 per week for singles and $10 for couples. This is an increase that I believe has provided the surety of income that pensioners in my electorate wanted.

I want to pay tribute at this point to someone in my electorate who has been at the forefront of pensioners lobbying for the increase to the pension, Mr Peter Yiallouris, who was until recently the president of the Federation of Greek Elderly. At 80-something, Peter lobbied and fought for this increase. He is retired and of ill health now. I want to pay tribute to his sense of obligation to his community and to the cause of the elderly and aged pensioners. He represents that generation of postwar migrants who came here to work, and work they did, building their families’ futures and simultaneously this country’s future. People like Peter understand the need to invest in nation building, because they were once part of a previous nation-building exercise all those years ago.

Carers are another special group of people in our community. In my electorate I have some 2,373 carers in receipt of carers payment and 5,616 carers in receipt of carers allowance. This is another group that has needed a more permanent form of increased assistance. The government has quite rightly replaced previous budget one-off bonuses with a permanent carer supplement of $600 per annum for carer payment recipients and an additional $600 per annum for carer allowance recipients for each eligible person in their care. Welcome also is the addition to the existing child disability assistance payment of $1,000 a year for carers who receive carer allowance.

I have a fair bit to do with carers in my electorate and I want to take this opportunity to pay tribute to them all and in particular to note the amazing work that Brite Industries does in my electorate by providing meaningful employment to people with disabilities. I know many of them and I want to note here for the benefit of this House their commitment. In many cases their carers are elderly parents who themselves are facing the prospect of needing care and they worry about the ongoing care of their children when they are no longer able to care for them. They welcome the extra support the budget provides for them but continue to be concerned about their loved one’s welfare. This is heart wrenching and just makes their commitment and sacrifice all the more admirable. We must support these wonderful people. To the extent that it can, this budget lends that much-needed relief and support.

The budget is a nation-building budget and infrastructure is central to this agenda. I just want to mention that my electorate, a very safe Labor seat—and safe seats are often concerned that their relative safety diddles them out of getting things—received a total of $11 million under the government’s Community Infrastructure Program. Of that, $9.5 million has gone towards the building of the Hume City Council’s $14.7 million new library and learning centre in the suburb of Craigieburn. I was fortunate to have the Minister for Infrastructure,
Transport, Regional Development and Local Government come to my electorate on 6 May to make the announcement. I make mention of this project because it is important infrastructure not only for my community but also for the government’s big picture agenda, which as I have mentioned focuses on education and skilling young Australians for the future by providing the best possible resources.

In this project the people of Craigieburn and in particular the young people will have the benefit of a state-of-the-art, modern and expansive learning facility—a library and a learning centre that will become an information hub. Its key features are learning spaces, conference and meeting areas, kitchen space for children and for adult learning programs, a story-telling amphitheatre, and print and technology literacy services. In general it is a space that will benefit young and old in my electorate.

The Craigieburn Library and Learning Centre project will promote social inclusion and lifelong learning and of course will provide a significant number of new jobs over the 33-month period of construction of the building. This is a direct stimulus to the local economy. It is a win-win for everyone. My community, particularly the Craigieburn community, is literally over the moon about this piece of infrastructure. Modernisation and state-of-the-art infrastructure is coming to areas of my electorate that have long felt ignored, making the people in our community significant stakeholders and integral parts of this country’s future prosperity and development.

As an addendum can I mention that Craigieburn was recently listed as having amongst the highest uptake of the government’s first home owners scheme, making Craigieburn a high-growth suburb with lots of young families and new housing estates. The government’s scheme makes housing more affordable and of course keeps the local building industry going. This is where Victorians are choosing to settle their families, so infrastructure is a major issue. I know that many people will welcome the budget’s extension of the first home owners boost.

There have been some difficult decisions that the government needed to make. On the one hand we have acted to stimulate the economy in areas we believe have short- and long-term impact. On the other hand we have had to make some tough decisions that are not necessarily popular but essential to long-term economic management. One of these is reducing the 30 per cent private health insurance rebate for singles earning more than $75,000 a year and for couples earning more than $150,000 a year.

Another is that the eligibility for the age pension rises from 65 years to 67 years. I appreciate the anxiety that this has caused, especially amongst workers who rely on their physical fitness and strength to earn a living. However, we need to bear in mind that this decision is consistent with what is happening across the globe. As life expectancy rises, health care, nutrition and general fitness improve and, in our case, as the population ages and pressure grows on the ability of taxpayers to provide adequately for retired citizens, this is a responsible and sensible policy decision. It is tough but ultimately fair, as I believe is the case with the budget overall. In an ideal world, we could all retire at a time of our choice and live luxuriously within our means. In an ideal world, we would have full employment and the prospect of an economic downturn would be an interesting phenomenon of ancient history. But this is the real world and, under the circumstances we find ourselves in, I commend the Treasurer, the Prime Minister and the government on their vision, their compassion and their commitment to a strong, vibrant and, above all, just Australia.
Ms MARINO (Forrest) (8.01 pm)—I rise to speak on the Appropriation Bill (No. 1) 2009-2010 and cognate bills. There is no doubt that this budget and the forward estimates contain very serious implications for the nation and the Australian people, particularly for enterprising, hardworking families and businesses in regional Australia, including those in my electorate of Forrest. What we have in real terms is a return to the same old historic Labor budgets of debt and deficit, but in proportions this country has never seen before. My constituents, like many other Australians, cannot understand why the government has driven such a reversal in our economy, given that the Labor government inherited the best economic conditions of any government in the history of federal politics. We have gone from a $22 billion surplus to $120 billion in new Labor government spending, $26 billion in increased taxes and a $32 billion deficit this year, equating to an incredible $50 billion turnaround. The deficit for 2009-10 is estimated to be $58 billion, with net debt to grow to $188 billion by 2012 and with interest payments of at least $8 billion a year.

This budget, in effect, contains $315,000 million of peak debt and deficit by 2015-16, all on the nation’s credit card. This supposedly temporary debt and deficit is all borrowed. I am very concerned that this peak debt figure will just keep growing. People in my electorate of Forrest know that this is $315 billion and it has to be paid back by hardworking families and businesses just like them. My constituents understand that the interest payments alone on these borrowings will ultimately mean that there will be less funding for core government services. They also understand that the eventual repayment of principal on interest will be made by our children and possibly grandchildren. We are all aware, however, that the $315 billion of debt and deficit excludes the $43 billion for the National Broadband Network, excludes the $28 billion for Ruddbank and excludes proposed additional defence spending. I have no doubt that the parliament and the Australian people are yet to be told the full extent of the Labor government’s debt and deficit.

The projected debt and deficit is also contingent upon the Labor government’s commitment to no new spending initiatives between now and 2017. This is difficult to accept, given the unparalleled new Labor government spending of $124 billion over the past 18 months. In spite of all this spending, the budget forecasts that over one million people will be unemployed in Australia by 2010-11. Unemployment stood at four per cent at the 2007 election. It will rise to 8.5 per cent in spite of the $10 billion December stimulus package that would, it was said, ‘create 75,000 jobs’ and the second $42 billion stimulus package that was supposed to support 200,000 jobs.

The budget delivered many hits to regional Australia, including to my electorate. My office has been inundated with calls regarding changes to the youth allowance, changes that discriminate against regional students, who have no alternative but to move to a capital city like Perth for their tertiary education. Legislative changes due to take effect in January seriously discriminate against regional students who are currently in their gap year. These are the motivated young people who are working part time to help fund their own education, students who have taken a gap year away from starting their university studies to qualify for the independent youth allowance and who are in the process of earning the required $19,000 under the existing rules. In some instances, both their own plans for study and the plans of their families are seriously compromised.
For these students to have to work virtually full-time for two years before they qualify for youth allowance in some instances will deny some of my south-west students a university education. They have certainly told me so in these emails. For many of my students, it is the youth allowance that is the difference between being able to study at university in Perth and not being able to study at university at all to achieve their career goals.

The Commonwealth accommodation scholarships of $4,500 each year assisted students to meet just some of the significant additional costs of living away from home. The substituted relocation allowance of $4,000 for the first year and $1,000 for the subsequent three years ignores ongoing additional costs of living away from home. Students in my electorate have no choice but to live away from home—the majority of courses are only available in universities in Perth. And Perth is anything from a 2½-hour to a four-hour drive away from parts of my electorate. South-west students do not have the option of a daily bus fare from a metropolitan suburb to their university.

I was really appalled that the Minister for Education, Julia Gillard, when questioned in the House of Representatives on this issue, either did not understand what this means to regional current gap year students or, worse, simply does not care what her Labor government has done to these same rural and regional students, which was clearly evident in the minister’s dismissive response.

From January 2010, to qualify for youth allowance students have to work for 18 months for 30 hours a week. How many regional students will be able to access university when one year is the university deferral period and very few courses offer a mid-year intake? And how many 30-hour-a-week jobs are there in small regional towns and rural areas for school leavers? This is an unreasonable expectation for rural students. It is unfair and retrospective. What we will see is fewer regional students attending university and, for those who are able to do so, a far greater sacrifice by themselves and their families compared to metropolitan students and families.

Natasha Carbone from Bunbury wrote to me and said:
I took this year off studying so that I would be able to earn the $19,532 that would allow me to qualify for Youth Allowance benefits. Now that the requirements for Youth Allowance have changed, it seems that I no longer qualify for these payments. For rural students such as myself, this change means re-evaluating not only our financial situations but also our decision as to whether to attend university at all.

One of the parents who contacted me, Jan Rigden from Bunbury, wrote:
This change is extremely prejudicial to students who graduated from school last year and deferred their studies, based on the current rules. At the moment students are only able to defer their place at university for one year, so many students will not be able to afford to go and will also lose their place, making it unlikely they will go the following year.

She asked me:
Please can you Advocate for country students who have far greater need for living away from home income support and who are far more likely to return to rural areas to practice their chosen careers. This change discriminates significantly against rural students in particular and is likely to lead to a decrease in rural students studying at a tertiary level, which is already lower than our city counterparts.

And, yes, Jan, I will continue to advocate for students from the south-west. One parent actually asked me whether the government is further discriminating against those who will go on
to become future doctors, lawyers and vets by lowering the age group for Youth Allowance eligibility from 25 to 22.

Where is the equity of opportunity in tertiary education for students from Forrest? Desperate students and their parents seeking clarification or information on this from the minister’s office were directed to the department of education’s phone number. After several hours of waiting, the call went through to the Centrelink call centre and the advice was that the government had only released very limited numbers of questions and answers and that specific answers and comments could not be provided. So what do these parents and students do between now and January 2010? This is a clear example of how the young people in my electorate are already paying for Labor’s reckless spending and cash handouts—funding sources that could have been used to retain support for regional students.

The coalition will propose a Senate inquiry into the Youth Allowance changes. Already there are twice as many metropolitan students attending university as country students. This number will rise with the impacts on current gap year students.

Great young regional people from my area, with very bright futures, have no choice but to reconsider their futures and some will now not be able to afford to go to university. I have spoken before in parliament about the additional costs and social challenges facing regional students who have to move to cities to attend university. I will continue to pressure the government on this issue for the families and students in Forrest.

My electorate will also suffer from the broken promises of the Prime Minister and Minister for Health and Ageing to retain the 30 per cent private health insurance rebate and Medicare safety net. There will be 1.7 million Australians immediately affected by these changes, facing either higher premium payments or higher tax payments through the Medicare levy.

It is also clear from repeated attacks on private health insurance that the Labor government is working towards one single major public health system. The government clearly does not understand the need for a strong robust private health system to maintain an equally strong public health system, quality service provision and choice for Australians. Western Australia has the highest rate of health cover in Australia and I have over 79,000 people with private health insurance in my electorate. Those who exit private health insurance will become a further burden on the public system and waiting lists will inevitably increase. Obstetric services, ultrasounds and reproductive technology and cataract surgery are all affected. Women charged an average fee for private obstetric care will pay $500 more for their treatment, with the proposed changes to the Medicare rebate.

Cutting the Medicare rebate for cataract surgery really proves that the Labor government values complex precision cataract surgery at half the cost of a pair of glasses. This ignores the inclusion of postoperative management. The longer term impacts of this decision may be that regional and remote communities will no longer receive ophthalmology visits or surgery. Visits will no longer be financially viable, and the most needy and disadvantaged communities will be the worst affected. Gap fees may increase to patients, and those who cannot afford the gap will be placed onto increasing public waiting lists. Not only is this an attack on the private health system it is also an attack on the viability of small- to medium-size health services businesses and enterprises in my regional electorate.
Senior Australians are very concerned about the changes to private health as well as reductions in the superannuation co-contribution scheme that encouraged many to continue working to fund their retirement. Their goal of financial self-sufficiency has simply been made much more difficult. A responsible government should be actively encouraging financial self-sufficiency, given our ageing population and the need for increased financial self-reliance. Effectively, these same hardworking self-reliant people are being punished for their enterprise to pay for Labor’s $124 billion dollar spending spree and cash handouts. Australians will work longer, retire later and have to live on less as a result of this budget. Pensioners have also been contacting my office regarding the utilities allowance being paid as part of the pension increase.

The attack on regional and rural Australia and electorates such as Forrest continued with the $908 million cut from the budget of the Department of Agriculture, Fisheries and Forestry for next year. In spite of the strong agricultural export performance that kept Australia out of technical recession, this government clearly does not value our farming sector. Three hundred and twelve departmental jobs are to be cut from the highly respected Land and Water Australia, which will be abolished—removing funding from rural conservation and environmental research.

Given Australia’s drought and water issues, this is an exceptionally inconsistent, contradictory and incomprehensible decision—a further example of how regional Australia and small farming businesses are also paying for Labor’s reckless $124 billion spending spree over the past 18 months. Twelve million dollars will be cut from the Rural Industries Research and Development Corporation at a time when critical research is equally critical to sustainable farming. Our farmers, particularly our dairy farmers, are constantly expected to drive environmental and economic efficiencies without the subsidies introduced by the United States and the European Union. These decisions compromise improved efficiencies and sustainability.

A further indication that regional Australia and our farmers are paying for Labor’s reckless spending are the cuts to the quarantine and biosecurity budget: $35.8 million. The increased risk may come at a very high price to our highly competitive agricultural sector and quality clean food production systems. The Labor government has ignored the recommendations of the Beale review for increased spending on quarantine, again placing higher importance on cash handouts than on our food and biosecurity. There will be a 50 per cent cut in administering the Horticulture Code of Conduct, costing 300 jobs; the abolition of the 40 per cent rebate for exporters; and new taxes and charges on AQIS export inspection services, with full cost recovery applying from 1 July 2009. Farmers in regional Australia keep paying for the Labor government’s reckless spending and cash handouts.

In dollar terms the meat industry is the largest user of AQIS services. These additional costs will add up to $5 per head on cattle and up to 50c per head on sheep. Preliminary calculations by the Australian meat industry are that this represents increases of between $150,000 and $300,000 per registered export processor. What I do know is that these costs will be passed on to growers. The meat industry is a major regional employer in Australia.

Conversely, the government’s new $460 million overseas food and agriculture program increases foreign aid at the expense of our Australian agriculture sector. My electorate in Western Australia is a food bowl: Dairy, beef, fruit, vegetables, wine—you name it; we produce it.
Add to this the $58 million cut from Customs and Border Protection. Seventy major ports with 1,300 local workers can check only five per cent of containers. The inspection of air and sea cargo for illicit drugs, illegal weapons and biosecurity threats will be compromised through 220 job losses and the funding cuts.

The assault on the regions continues with another broken election promise of a dedicated regional development program. Labor promised to expand the role of the area consultative committees; however area consultative committees have closed. The role has been passed to the states. The federal government will have no direct or specific responsibility for regional development and the funding has been cut by $15.1 million. The government’s Better Regions Program promise purported to support community, economic and environmental projects but was never opened to receive applications. The funding was used to deliver election promises made by Labor candidates in targeted 2007 electorates. These decisions for regional Australia, however, coincide with the creation of a better cities unit in Sydney—something that is not lost on regional Australians.

The Regional Strategic Roads program will be closed down and millions of dollars of regional road and rail funding will shift to urban areas. In parliament the Prime Minister said 35,000 projects will be funded; I call on the government to table the list. The government promised $22 billion in infrastructure spending, yet less than 22 per cent of alleged funds are provided for in the next two budgets. The member for Goldstein and infrastructure experts have identified a $60 billion black hole in the infrastructure funding needed to complete the projects announced by the government. Private sector investment will be needed. How many of this year’s 35,000 projects will actually be funded and delivered? Given that the government has committed not to increase government spending by more than two per cent for six years, I wonder what programs the government will cut.

Labor promised $4.7 billion for a national broadband network that would provide fibre services to 98 per cent of Australians and be rolled out by the end of 2008. Following a flawed $20 million taxpayer funded tender process, we now have a $43 billion proposal; however only $4.7 billion of that is contained in the budget. The now $54.2 billion NBN proposal will not deliver to towns with under 1,000 people. This effectively excludes many families and small businesses in my regional electorate. I have nearly 14,000 small businesses in Forrest. Small businesses drive competition, employ nearly half of Australia’s workforce and support regional economies, and they need access to high-speed internet and telecommunications services.

What the Australian people now have as a result of this budget is confirmation that Australia has the same old Labor government of debt and deficit. We now also know that Labor has no plan to pay off this debt and no plan for a return to surplus—just a superficial hope that in 13 years of ‘temporary’ debt and deficit the budget will somehow move back to surplus in 2022. Other analysts predict a debt of $300 billion will take at least 15 to 20 years to pay off, and $300 billion will not be the full extent of this government’s debt and deficit. The coalition knows just how hard it is to pay off Labor debt. It took 10 years to pay off the last $96 billion of Labor debt. This government has lost control of the nation’s finances, and Australians, particularly regional Australians like those in my electorate, are paying the price for the Rudd government’s reckless spending.
Ms COLLINS (Franklin) (8.19 pm)—I rise in support of Appropriation Bill (No. 1) 2009-2010 and Appropriation Bill (No. 2) 2009-2010, commonly known as the budget bills. This second Rudd government budget was framed within a global context, and I am a bit surprised that those in the Liberal Party seem to forget that there is a global recession going on. In fact, Australia, along with the rest of the world, is currently weathering the worst global recession in 75 years. Economies around the world are experiencing their deepest global recession since the Great Depression, and those opposite seem to continually ignore this.

The 2009-10 budget is a plan for the future. It has clearly been engineered to support jobs for today, and it is building the essential infrastructure that Australia needs for a stronger and more prosperous future. This budget is about nation building for recovery. In light of the continued deterioration of the global financial market, the Rudd government has made some tough decisions in this budget to ensure that Australia’s net debt remains the lowest of any major advanced economy in the world.

During a global economic downturn, like the one we are now experiencing, a responsible government needs to step in and actively stimulate the economy and support jobs and small businesses. To do nothing would leave Australian families and businesses to shoulder the burden of this global recession, and we could not do that. Governments around the world have learnt from the mistakes made during the Great Depression. We are all in this together, and we need to work together to ensure that we build our economic recovery.

In our second economic stimulus package, 70 per cent is for nation-building infrastructure. This includes the biggest school modernisation program in Australia’s history. We are investing in road, rail, port, broadband and major solar energy projects. We are investing in research, education and innovation. We are supporting small businesses. The Rudd government is investing in the implementation of the paid parental leave scheme—the first in Australia’s history. There is pension reform, the continuation of the very successful first home owners grant and the long-awaited assistance for carers. And we continue to build on our education revolution. Over the next four years, $22 billion will be invested in infrastructure across the nation—a budget measure that will support jobs and lay strong foundations for a prosperous future. The largest component of this investment is in transport.

Across my home state of Tasmania, $797 million will be invested over six years in road and rail projects. I will go through some of the substantial investments that have been allocated across southern Tasmania—bearing in mind that southern Tasmania was ignored by the Liberal Party when they were in government. In fact, 90 per cent of their AusLink funding went to northern Tasmania. So I am very pleased to say that, in conjunction with the state government, $15 million will be invested in the construction of the Kingston bypass in my electorate of Franklin. The good people of Franklin have waited a very long time for this; they waited 12 long years under the Liberal Party government. I am very pleased to report to the House that construction on the bypass will begin towards the end of this year. It will greatly improve safety and also reduce congestion in the town of Kingston as well as in the Blackmans Bay and channel areas.

To the north of my electorate, in southern Tasmania in the electorate of Lyons, $164 million will be invested, again in conjunction with the state government, in the Brighton bypass. This is the largest infrastructure project that has ever been undertaken in Tasmania, and it is being undertaken by a Labor government. Also, $14 million has been allocated to refurbish the...
Bridgewater Bridge and the lower highway junction; $6.2 million will be invested in planning for the replacement of the Bridgewater Bridge and for building the Bagdad bypass. These are future projects that we are planning for now. Also, $4.5 million will be invested in upgrading the Midland Highway-Constitution Hill project. All of these projects are about major road infrastructure that Tasmania has been waiting for many years to receive, and the Rudd government will be delivering them as part of its nation-building program.

As chair of the Tasmanian Black Spot Consultative Panel, I am particularly proud of the investment we have made in making Tasmania’s roads safer. I have spoken quite a few times in this place about the black spot funding in southern Tasmania. I am really pleased that both stimulus packages have included investment in roads. Unfortunately, there have been more deaths on Tasmania roads recently, and that is a tragedy. Overall, there is $5.6 million for Tasmania’s black spots. Forty-seven projects will be delivered in Tasmania. The Rudd government is also funding other road safety initiatives in this budget, including boom gates and level crossings in Tasmania. Further, there is $800,000 to address the lack of safe modern roadside facilities for truck drivers in Tasmania.

This budget will also build on the work already achieved by the Rudd government to deliver the education revolution, with the $5.7 billion we are investing over four years to deliver reforms to the higher education and innovation sectors and the 9,540 public and private schools across Australia that will benefit from our school modernisation program as part of Building the Education Revolution. This investment is all due to the fact that the Rudd government believes that a critical component of moving this country forward is education. But we all know that, as well as investing in education, it is about investing now in local jobs in our local communities and businesses.

I was really pleased to be with the Deputy Prime Minister when she visited Tasmania recently to make the announcement about the Primary Schools for the 21st Century program. She joined me and the Premier of Tasmania at Blackmans Bay Primary School, where the funding of $2.4 million we are providing was very well received by the local school community. We also had the National School Pride program announcements, which were very well received in the local community. Rounds 1 and 2 will deliver $6.2 million to more than 40 primary and secondary schools in my electorate of Franklin. I did want to read into the Hansard today the whole list of schools in my electorate getting funding, but unfortunately there is not time for that.

One of the other big projects that Tasmania will benefit from that I really want to get on the record is broadband. I was really pleased, and Tasmanians in particular were very pleased, to have the Prime Minister and the minister for communications in Tasmania to announce that Tasmania will lead the nation in the rollout of the National Broadband Network. This project will change the way Tasmanians live and work. At present, Tasmanians have great difficulty accessing broadband, so this is a very welcome investment in Tasmania’s future communications infrastructure. In this time of global financial crisis, the National Broadband Network will also create jobs in Tasmania. So that was a very pleasing announcement indeed.

Another part of the budget is the clean energy and solar energy revolution, which is a $4.5 billion investment in clean energy initiatives to assist Australia’s transition to a low-pollution economy and to help Australia build green jobs for our future.
As part of many innovation and research announcements, the government has committed funding to southern Tasmania that I want to go through which will provide long-term investment in research and innovation. We have got $11.7 million to continue the operations of the Australia-Antarctic air link, which is very important for the local community in Tasmania but also very important for Australia in terms of our international research, including climate research, that is being done in the Antarctic. There is $25.2 million over two years to meet the increased cost of maintaining Australia’s presence in Antarctica. That is new funding, and I was pleased to be with the minister for the environment, Minister Garrett, in Tasmania recently to make that announcement and to look at what that money will be doing.

There is $44.7 million to build stage 2 of the Menzies Research Institute, an important medical research facility near our local hospital in Hobart which does lots of really important research and was in fact the facility that did the vital research into SIDS which discovered how babies should be laid down. So that is a very important investment for the local community. Finally, there is $45 million for the Institute for Marine and Antarctic Studies at the University of Tasmania, $52 million to extend the Integrated Marine Observing System network and $120 million to replace the Southern Surveyor, the research vessel which leaves from Tasmania and goes into the Great Southern Ocean to do research below the ocean.

I received a telephone call from the University of Tasmania’s thrilled vice-chancellor the day after the budget. He was extremely pleased with the research investment that has been made by this government. I really support his view that Tasmania will now be a leader, especially when it comes to things like marine research. We have been putting a lot of effort into that, so it was very pleasing to see the Rudd government acknowledge that work.

I also want to talk about paid parental leave. As a parent of three children and with many friends who are of child-bearing age, I think this is a very important thing for a government to do, and it is the Rudd Labor government that has done it. We will be investing $731 million over five years to implement a comprehensive paid parental leave scheme, and I am thrilled about that.

Sustainable pension reform, which I touched on earlier, has also been undertaken in this budget. This is pension reform of a type not seen in Australia’s history since the introduction of the pension and some changes that were made in the 1970s. I am really thrilled about the increase for single pensioners and the increase for couple pensioners. Across my electorate, there are more than 17,000 pensioners who will benefit from this reform, and I would like to put on the record that they are extremely pleased with the outcome of that pension reform.

A subject that I have previously put on the record before in this place as a member of the House of Representatives Standing Committee on Family, Community, Housing and Youth is carers. I spoke on the carers report recently and also on a recent carers bill, but I do want to acknowledge that the government will, with this budget, provide more and ongoing assistance to carers into the future.

We are also doing a lot to support small business. I have conducted some small business consultations in my electorate with the minister for small business. The increase in the highly successful tax break for small business, from 30 per cent to 50 per cent, has gone down extremely well in my electorate. We are doing a number of other things to support small business, including reducing the pay-as-you-go tax instalments, which will provide cash flow relief. By delivering on our investment in education, we are obviously providing local jobs for
people. The extension of the first home owners boost will also produce more jobs and support jobs in Tasmania. There is the installation of ceiling insulation and solar hot water systems for local homes, the social housing construction and the community infrastructure grants.

I also want to put on the record today the $4 million for the Twin Ovals project in Kingston, in southern Tasmania, one of which will be built to AFL standard, which has been very well received by my local community. In addition, there is $2 million for the Bellerive Oval lights. This was really important because Cricket Australia had said that, if Bellerive Oval did not get lights, we would be at risk of losing the hosting of international cricket matches, so I am really pleased that the Rudd government has funded half the lights and the state government the other half. That means Tasmania will continue to receive its fair share of the international cricket market. In fact, it was recently announced that early next year Australia will play a test match at Bellerive Oval in my electorate, which I am sure will please many locals. It is a great investment and it will also inject money into the local economy.

I think that is pretty much all I want to put on the record now about the budget and its impact in Franklin, and what the Rudd Labor government is doing. I encourage those opposite to support the Rudd government’s budget measures. I am sure that the people of Franklin will be pleased with this budget, and I commend the bill to the House.

Debate (on motion by Ms Grierson) adjourned.

Main Committee adjourned at 8.33 pm
QUESTIONS IN WRITING

Small Business
(Question No. 677)

Mr Ciobo asked the Minister representing the Minister for Human Services, in writing, on 19 March 2009:

From 3 December 2007 to 19 March 2009: (a) how many and what percentage of payments made by the Minister’s department to small businesses were not made within (i) 30, and (ii) 60 days of receipt of the goods or services and an invoice; and (b) what was the average time lapsed between invoice received and payments made by the Minister’s department to small businesses.

Ms Plibersek—The Minister for Human Services has provided the following answer to the honourable member’s question:

(a) For the period 1 July 2008 to 30 June 2009 there were (i) 5,979 invoices not paid within 30 days of receipt of goods or services or an invoice representing 7.8 per cent of the total invoices for that period; (ii) of that 2,886 invoices were not paid within 60 days of receipt of goods or services or an invoice which is 3.76 per cent of the total invoices for that period.

(b) The average time lapsed between invoice received and payment made by the Department of Human Services to small businesses was 20.93 days.

Higher Education Roundtables
(Question No. 698)

Mr Pyne asked the Minister for Education, in writing, on 12 May 2009:

In respect of the ‘Bradley Review’ (Australian Government, Review of Australian Higher Education, December 2008), and the series of six roundtables that she announced on 4 February 2009:

(a) who (i) was invited to, and (ii) attended, the roundtable discussions; (b) on what dates and in what locations did the roundtables occur; (c) what was the cost of each roundtable; (d) will the participants meet again on this topic; and (e) when will the Government respond to the review and the findings of the roundtables; and (f) will the response be made publicly available.

Ms Gillard—The answer to the honourable member’s question is as follows:

(a) (i) and (ii) Key stakeholders representing the higher education and vocational education and training sectors were invited and attended. All organisations invited sent a representative to attend the discussions. A full list of attendees is provided at Attachment A.

(b) Roundtables were held as follows:
   27 January 2009 Sydney
   2 February 2009 Canberra
   16 February 2009 Melbourne (two roundtables)
   17 February 2009 Sydney (two roundtables)

(c) The total cost to the Government of each round table was the airfares for the departmental representatives. The cost of airfares varied upon location.
(d) There is no intention that the participants meet again on this topic.
(e) The Government has delivered a comprehensive response to the Bradley Review in the Budget.
(f) The response has been made publicly available.

ATTACHMENT A

List of attendees at Bradley Review Roundtables

Peak Bodies
27 January 2009
Sydney
Professor Richard Larkins AO, Chair, Universities Australia
Dr Glenn Withers AO, Chief Executive officer, Universities Australia
David Barrow, National President, National Union of Students
Adrian McComb, Executive Officer, Council of Private Higher Education
Emeritus Professor Deryck Schreuder, Chair, Australian Universities Quality Agency
Dr Carolyn Allport, National President, National Tertiary Education Union
Grahame McCulloch, General Secretary, National Tertiary Education Union
Nigel Palmer, Council of Australian Postgraduate Associations
David Mendelsohn, Senior Federal Industrial Officer, Community and Public Sector Union
Phil Bullock, Skills Australia

Unaligned Vice Chancellors
2 February 2009
Canberra
Professor Greg Craven – Vice-Chancellor, Australian Catholic University
Professor Robert Stable – Vice-Chancellor, Bond University
Professor John Rickard – Vice-Chancellor, Central Queensland University
Professor Charles Webb – Acting Vice-Chancellor, Charles Darwin University
Professor Barney Glover – Vice-Chancellor (incoming), Charles Darwin University
Professor Paul Burnett – Deputy Vice-Chancellor (Research), Charles Sturt University
Professor Kerry Cox – Vice-Chancellor, Edith Cowan University
Dr Paul Beirne – Dean, Melbourne College of Divinity
Professor Paul Clark – Vice-Chancellor, Southern Cross University
Professor David Battersby – Vice-Chancellor, University of Ballarat
Professor Alan Pettigrew – Vice-Chancellor, University of New England
Professor Celia Hammond, Vice-Chancellor, University of Notre Dame Australian Government
Professor Daryl Le Grew – Vice-Chancellor, University of Tasmania
Professor Paul Thomas – Vice-Chancellor, University of the Sunshine Coast
Professor Gerard Sutton, Vice-Chancellor, University of Wollongong
Professor Jeannie Herbert – Vice-Chancellor, Batchelor Institute of Indigenous Tertiary Education
Professor Sally Walker – Vice-Chancellor, Deakin University
Professor Carole Kayrooz – Pro Vice-Chancellor (Education), University of Canberra

QUESTIONS IN WRITING
Tuesday, 2 June 2009

**Audio**

**House of Representatives**

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**Professor William Lovegrove** – Vice-Chancellor, University of Southern Queensland

**Professor Janice Reid** – Vice-Chancellor, University of Western Sydney

**Professor Elizabeth Harman** – Vice-Chancellor, Victoria University

**Professor Steven Schwartz** – Vice-Chancellor, Macquarie University

**Professor Ian Young** – Vice-Chancellor, Swinburne University of Technology

**Australian Technology Network**

**16 February 2009**

**Melbourne**

Professor Ross Milbourne, Chair, ATN and Vice-Chancellor, University of Technology Sydney

Professor Jeanette Hacket, Deputy Chair, ATN and Vice-Chancellor, Curtin University of Technology

Professor Margaret Gardner, Vice-Chancellor, RMIT University

Professor Peter Coaldrake, Vice-Chancellor, Queensland University of Technology

Professor Peter Høj, Vice-Chancellor, University of South Australia

Ms Vicki Thomson, Director, ATN

**Innovative Research Universities Australia**

**16 February 2009**

**Melbourne**

Professor Sandra Harding, Chair, IRUA and Vice-Chancellor, James Cook University

Professor Ian O'Connor, Vice-Chancellor, Griffith University

Professor Nick Saunders, Vice-Chancellor, University of Newcastle

Professor Paul Johnson, Vice-Chancellor, La Trobe University

Professor Andrew Parkin, Deputy Vice-Chancellor (Academic), Flinders University

Professor Jan Thomas, Deputy Vice-Chancellor (Academic), Murdoch University

Ms Lenore Cooper, Director, IRUA

**Group of Eight Universities**

**17 February 2009**

**Sydney**

Professor Alan Robson, Chair Go8 and Vice-Chancellor University of Western Australia

Professor Ian Chubb, Vice-Chancellor, Australian National University

Professor Glyn Davis, Vice-Chancellor, The University of Melbourne

Professor Michael Keniger, Senior Deputy Vice-Chancellor, University of Queensland

Professor Fred Hilmer, Vice-Chancellor, University of New South Wales

Professor Edwina Cornish, Deputy Vice-Chancellor (Research), Monash University

Professor James McWha, Vice-Chancellor, Adelaide University

Dr Michael Spence, Vice-Chancellor, The University of Sydney

Mr Michael Gallagher, Executive Director, Group of Eight

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**QUESTIONS IN WRITING**
VET Peak Bodies
17 February 2009
Sydney
Andrew Smith, National Executive Officer, Australian Council of Private Education and Training
Martin Riordan, CEO, TAFE Directors Australia
Jim Barron, CEO, Group Training Australia
Paul Orton, Director of Membership and Policy, NSW Business Chamber (representing the Australian Chamber of Commerce and Industry)
Guy Templeton, Member of Education, Skills and Innovation Taskforce, Business Council of Australia
Megan Lilly, Associate Director of Education and Training, Australian Industry Group
Linda Simon, Federal TAFE President, Australian Education Union
Pat Forward, Federal TAFE Secretary, Australian Education Union

Department Representatives (attendance varied across roundtables)
Lisa Paul, Secretary, DEEWR
Jim Davidson, Deputy Secretary, DEEWR
Patricia Kelly, Deputy Secretary, DIISR
Fiona Buffington, Group Manager, Higher Education Group, DEEWR
Anne Baly, Branch Manager, Review of Australian Higher Education Taskforce, DEEWR
Jessie Borthwick, Head, Science and Research Division, DIISR